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United Nations

United Nations Office on Drugs and Crime

Financial report and audited financial statements

for the biennium ended 31 December 2011

and

Report of the Board of Auditors

General Assembly
Official Records
Sixty-seventh Session
Supplement No. 5I

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Report of the Board of Auditors

United Nations • New York, 2012

Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

AusAID	Australian Agency for International Development
ESCAP	Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization of the United Nations
IMIS	Integrated Management Information System
IOM	International Organization for Migration
IPSAS	International Public Sector Accounting Standards
NATO	North Atlantic Treaty Organization
OIOS	Office of Internal Oversight Services
OPEC	Organization of the Petroleum Exporting Countries
OSCE	Organization for Security and Cooperation in Europe
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNPOS	United Nations Political Office for Somalia
USAID	United States Agency for International Development
WCO	World Customs Organization
WHO	World Health Organization

Letters of transmittal

30 March 2012

In accordance with General Assembly resolutions 46/185 C of 20 December 1991 and 61/252 of 22 December 2006, I have the honour to submit the accounts of the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund for the biennium ended 31 December 2011.

Copies of these financial statements are also being transmitted to the Commission on Narcotic Drugs, the Commission on Crime Prevention and Criminal Justice and the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) Yuri **Fedotov**
Executive Director
United Nations Office on Drugs and Crime

The Chair of the Board of Auditors
United Nations
New York

30 June 2012

I have the honour to transmit to you the report of the Board of Auditors on the financial statements of the United Nations Office on Drugs and Crime for the biennium ended 31 December 2011.

(*Signed*) **Liu** Jiayi
Auditor-General of China
Chair of the Board of Auditors

The President of the General Assembly
of the United Nations
New York

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Report on the financial statements

We have audited the accompanying financial statements of UNODC for the biennium ended 31 December 2011, which comprise the consolidated statement of income and expenditure and changes in reserves and fund balances (statement I); the consolidated statement of assets, liabilities, reserves and fund balances (statement II); the consolidated statement of cash flow (statement VII); and the supporting statements, schedules and explanatory notes. Statements III and IV describe the Fund of the United Nations International Drug Control Programme, and statements V and VI describe the United Nations Crime Prevention and Criminal Justice Fund.

Management's responsibility for the financial statements

UNODC is responsible for the preparation and fair presentation of the financial statements in accordance with the United Nations system accounting standards and for such internal control as is deemed necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In the Board's opinion, the financial statements present fairly, in all material respects, the financial position of UNODC as at 31 December 2011 and its financial performance and cash flows for the biennium then ended, in accordance with the United Nations system accounting standards.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of UNODC that have come to our notice, or which we have tested as part of our audit, have in all significant respects been in accordance with the Financial Regulations and Rules of the United Nations, the Financial Rules of UNODC and legislative authority.

In accordance with article VII of the Financial Regulations and Rules of the United Nations, we have also issued a long-form report on our audit of UNODC.

(*Signed*) **Liu** Jiayi
Auditor-General of China
Chair of the Board of Auditors

(*Signed*) Amyas **Morse**
Comptroller and Auditor-General of the
United Kingdom of Great Britain and Northern Ireland
(Lead Auditor)

(*Signed*) Terence **Nombembe**
Auditor-General of South Africa

30 June 2012

Chapter II
Long-form report of the Board of Auditors

Summary

The United Nations Office on Drugs and Crime (UNODC) is mandated to assist Member States in tackling illicit drugs, crime and terrorism. Headquartered in Vienna, UNODC operates globally, with a staff of 1,700 and a network of 60 field offices. It has recently expanded in East and West Africa and the Middle East, where major new programmes are being implemented. Almost all of the activities of UNODC are undertaken through individual projects at the global, regional and country levels. Country and regional projects are primarily the responsibility of the regional offices of UNODC, with global projects led from its headquarters

Income from voluntary contributions for the biennium 2010-2011 amounted to $524 million ($287 million for the drug programme and $237 million for the crime programme). Expenditure for 2010-2011 was $450 million, resulting in an excess of income over expenditure of $74 million. UNODC also receives $44 million (8 per cent of total income) from the United Nations regular budget.

The Board of Auditors has audited the financial statements and reviewed the operations of UNODC for the biennium ended 31 December 2011. The audit was carried out through the examination of financial transactions and operations and management arrangements at UNODC headquarters in Vienna and at regional offices in Senegal and Thailand.

Opinion

The Board has issued an unmodified audit opinion on the financial statements for the period under review.

Overall conclusion of the Board

UNODC, under its internal control framework, delegates extensive authority from headquarters to regional and country offices, but the Board considers that the internal control framework is not operating as consistently or effectively as it should. The Board found variable levels of compliance with basic rules for the conduct of business in the field and significant scope to strengthen field controls and implement more stringent regional and headquarters oversight and review, to improve the management of risks inherent in a globally dispersed organization

While recognizing management's desire to improve its strategic planning and oversight, the Board was unable to determine whether the new integrated programming approach, introduced in 2008, had been effective. Measures of success for this major transformational project had not been defined. The Board also found that, while UNODC had established frameworks and systems for gathering and reporting performance, use of performance data at a corporate level was limited. Programme performance indicators were either unrealistic or could not be measured, and arrangements for evaluation were either weak or absent, particularly in relation to the UNODC regional programmes, limiting management's ability to determine the extent of implementation of each programme and objectively demonstrate the cost-effective use of resources.

Key findings and recommendations

With regard to financial management, the Board found deficiencies in regional and field office accountability and financial management. For example, the Board found limited evidence of senior field office management review of monthly reconciliations or year-end financial returns to headquarters. In addition, the Field Office Management Ledger did not enforce the appropriate segregation of duties.

Regarding expenditure and income, the Board found examples of non-compliance with UNODC procedures in the field, for example, in handling imprest advances. The UNODC approach to processing, clearance of funds and acceptance of income was also inconsistent between offices and did not comply with established internal procedures.

With regard to expendable and non-expendable property, UNODC has started the process of cleansing the data held on asset registers in preparation for IPSAS implementation, and some $27 million worth of non-expendable property was written off in the biennium 2010-2011. While the errors were not significant enough to have an impact on the Board's opinion on the financial statements, the Board is concerned that non-expendable property is inaccurately reported. The Board noted many instances where items could not be located or were obsolete, or where assets had been written off but remained on the asset register. The Board found that UNODC also held incomplete data on expendable property (inventory) registers and had similar deficiencies in its inventory management.

Regarding preparations for IPSAS implementation, UNODC has started the process by gathering the data required to value assets and arrive at meaningful opening balances, but this work is not well advanced. UNODC has the additional challenge of coordinating data collection and the implementation of IPSAS across a large number of field offices. UNODC has established a small team dedicated to IPSAS implementation at its headquarters, but the Board is concerned that insufficient resources are currently allocated to complete this work in the allotted time frame.

With regard to strategic and project planning, the new approach of UNODC to developing its programme of activities, a major business transformation project started in 2008, is ongoing. UNODC acknowledges that weaknesses in the project's development, in particular the absence of measures of success, will present difficulties for evaluating the implementation of both the overarching approach and the regional programmes that constitute a significant part of the project. At the project level, many of the UNODC project proposals were poorly defined, in particular in relation to defining the problems that they are intended to address and the baselines against which progress will be measured and assessing potential project risks.

With regard to performance reporting and management, basic tools for monitoring progress are in place at the regional level, although they do not combine information on costs with information on substantive progress. Also, many performance indicators in the UNODC regional programmes will not provide adequate measures of performance as, in many instances, they do not include baselines, thereby limiting the ability of UNODC to report on overall progress. The progress reports to UNODC senior management focus on how much has been spent rather than on substantive progress on the implementation of regional programmes and what they have achieved.

In the light of the findings above, the Board makes detailed recommendations in the main body of this report. In summary the main recommendations are that UNODC:

(a) Improve its financial management by establishing more robust monthly and year-end scrutiny of the financial returns from all country offices in the regions;

(b) Implement system changes to its Field Office Management Ledger, so as to restrict and manage access and improve the segregation of duties;

(c) Account for donations consistently and in accordance with the Financial Regulations and Rules of the United Nations, with any deviations from regulations properly recorded and justified at the point of receipt of the pledge;

(d) In relation to non-expendable property and inventory: (i) update its asset registers to include all details of the item; (ii) tag all assets with a Field Office Inventory reference number; and (iii) physically verify that all items in the registers remain UNODC assets and in use;

(e) In its project proposals: (i) clearly and succinctly define the problem that a project is intended to address; (ii) establish a clear baseline against which to assess delivery or provide a clear explanation of how the baseline will be established; and (iii) identify and document material risks and mitigating actions;

(f) For each of its regional programmes: (i) specify a realistic and achievable set of priorities for the period of the programme; (ii) establish robust, realistic and measurable performance indicators; (iii) identify a manageable number of key performance indicators, balanced between outcome and output indicators; and (iv) clearly link individual project performance indicators to the indicators set out in its strategic framework to enable the aggregation of indicators and provide an overall picture of performance;

(g) Establish a mechanism for reporting, to both internal and external stakeholders, progress on implementation of the regional programmes.

Previous recommendations

Of the 15 recommendations made for the previous biennium, 6 (40 per cent) had been fully implemented, 5 (33 per cent) were under implementation, 3 (20 per cent) had not been implemented and 1 (7 per cent) was overtaken by events. This compares with 58 per cent of recommendations implemented, 26 per cent of recommendations under implementation and 16 per cent not implemented at the same point in the previous biennium. This represents an overall decline in the level of implementation, but the Board notes that four of the recommendations are due to be completed imminently and that some depend on developments or decisions elsewhere outside the control of UNODC.

Therefore, in general the Board has no concerns with the rate of implementation or with the positive response of UNODC. In the section on follow-up of previous recommendations, however, the Board does indicate its strong preference that its previous recommendation that regular budget income and expenditure be fully accounted for in the UNODC financial statements, with implementation no later than the biennium 2012-2013.

A. Background

1. The United Nations Office on Drugs and Crime (UNODC) is mandated to assist and support Member States in addressing issues relating to drugs and crime. This includes support for the prevention, deterrence and treatment of the negative effects of activities relating to illicit drugs, crime and terrorism. UNODC employs some 1,700 staff, approximately 300 of whom are based at its headquarters in Vienna and 1,400 in the field. Approximately 65 per cent of its expenditure for the biennium 2010-2011 was spent through its network of 60 regional, country and programme offices.

2. During the biennium, UNODC continued to implement its integrated approach to strategic programme development, a major business transformation project designed to align its global and regional priorities. It also commenced major programme expansion in East and West Africa and the Middle East.

3. In Vienna, UNODC shares accommodation with a number of other United Nations bodies, including the United Nations Office at Vienna, which provides a range of services to UNODC, including in the areas of finance, human resources, information technology and procurement. While the Office is accountable to the United Nations Secretariat, it is very much integrated with the UNODC organizational structure, forming one of the four divisions of UNODC (the Division for Management).

B. Mandate, scope and methodology

4. The Board of Auditors has audited the financial statements of UNODC and has reviewed its operations for the biennium ended 31 December 2011, in accordance with General Assembly resolution 74 (I) of 1946. The audit was conducted in conformity with the Financial Regulations and Rules of the United Nations and the Financial Rules of UNODC, as well as the International Standards on Auditing. The latter standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

5. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements presented fairly the financial position of UNODC as at 31 December 2011 and the results of its operations and cash flows for the financial period, in accordance with the United Nations system accounting standards. This included assessing whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether income and expenditure had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations and the Financial Rules of UNODC. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

6. The Board also reviewed UNODC operations under regulation 7.5 of the Financial Regulations and Rules of the United Nations, which allows the Board to make observations on the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and

management of UNODC operations. The Board focused on strategic and project planning and budgeting and performance reporting and management.

7. During the course of the audit, the Board visited UNODC headquarters in Vienna and field operations in Senegal and Thailand, and coordinated closely with OIOS.

8. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly, including specific requests from the Assembly and the Advisory Committee on Administrative and Budgetary Questions.

9. The Board's observations and conclusions were discussed with UNODC, whose views have been appropriately reflected in the report. The recommendations contained in the present report do not address steps which UNODC may wish to consider in respect of officials for instances of non-compliance with its Financial Rules, administrative instructions and other related directives.

C. Findings and recommendations

1. Follow-up to previous recommendations

10. Of the 15 recommendations made in the Board's previous report (A/65/5/Add.9), 6 have been implemented fully, 5 are under implementation (4 of which will be implemented imminently), 3 have not been implemented and 1 was overtaken by events. Details are shown in the annex below. The Board also evaluated the ageing of its previous recommendations from the biennium 2008-2009 and three relating to 2006-2007, of which two have been almost fully implemented a... one has not been implemented.

11. One recommendation raised in the biennium 2008-2009 required UNODC to comply with its Financial Rules and formally approve revisions of the biennial budget for general-purpose funds prior to the beginning of the biennium. UNODC stated that the timing of the meetings of its governing bodies meant that approval could not take place until the first quarter of the second year of the biennium. The Board has accepted the Office's explanation and therefore closed the recommendation, but raised a new recommendation to address the issue of timing.

12. **UNODC accepted the Board's new recommendation that it revise its Financial Rules to formally approve revisions of the biennial budget for general-purpose funds at the meeting of its governing bodies, usually held in the first quarter of the second year of the biennium. The Board suggests that this revision to the Financial Rules be undertaken at the same time that UNODC revises its financial regulations and rules in the context of IPSAS implementation.**

Recommendations partially implemented or not implemented

13. One recommendation that has not been implemented was first raised in the biennium 2006-2007. The Board has therefore reiterated that recommendation, on the need for a funding strategy for after-service health insurance.

14. In addition, UNODC did not implement two other recommendations from 2008-2009, namely that:

(a) UNODC draw up an analysis of its needs and the risks posed by the migration and necessary update of its information technology systems (PeopleSoft, Programme and Financial Information System and Field Office Management Ledger) in preparation for migration to and implementation of the new enterprise resource planning system for the United Nations (Umoja). UNODC informed the Board that a detailed migration plan would be proposed by United Nations Headquarters once the new system design was completed and the sequence of system decommissioning and the data migration steps were known. The Board reiterates its previous recommendation but recognizes that UNODC will be able to do this fully only when further details of the Umoja roll-out are clarified by Headquarters;

(b) UNODC revise the title of its financial statements to reflect that their scope is limited to the voluntarily funded activities and consider preparing financial statements that include activities funded by the regular budget of the United Nations. The Board recognizes that while the United Nations was open to the suggestion, it did not mandate this action. The Board also notes that in the meantime regular budget income and expenditure in relation to UNODC is reflected in the financial statements of the United Nations (A/67/5 (Vol. I)). The Board, however, now considers that the $44 million regular budget contribution should be fully included in the financial statements of UNODC to show the full scale of its income and expenditure in accordance with the principles set out in the Financial Regulations and Rules of the United Nations, and observes that UNEP and UN-Habitat chose to implement similar recommendations by the Board during the biennium 2010-2011.

15. **To provide a complete picture of the UNODC accounts, the Board reiterates part of its previous recommendation that UNODC prepare financial statements that include the balances of UNODC regular budget contributions in its financial statements for the biennium 2012-2013.**

16. UNODC has informed the Board that it will implement this recommendation, taking into account the IPSAS framework. The Board will support UNODC in achieving that objective.

Recommendations under implementation

17. With regard to four of the five recommendations under implementation, the Board noted that implementation depended on senior management's approval of a draft inventory management policy (the outcome of two recommendations from 2006-2007), agreement with UNDP to write off prior-year reconciling items and the implementation of an OIOS recommendation on an HIV project through the UNODC change management process, all of which are expected to be completed imminently. The final recommendation, preparing annual leave accrual under IPSAS, will be completed by 2014.

2. Financial overview

Overall financial position of UNODC

18. Funding of $524 million for the biennium 2010-2011 is split into special-purpose funds of $455 million, earmarked for specific projects, general-purpose funds of $27 million and programme support costs of $41 million (charged as overhead costs to projects).

19. The funding and remit of UNODC have grown significantly in recent years. In the past six years expenditure has more than doubled, from $194 million in 2004-2005 to $450 million in 2010-2011. Most of the growth is in special-purpose voluntary funding. Table II.1 shows total income through extrabudgetary funds for 2010-2011 compared with 2008-2009.

Table II.1
Income and expenditure, by source of funding
(Thousands of United States dollars)

	Biennium			
	2008-2009		*2010-2011*	
Drug Programme and Crime Programme Funds	*Income*	*Expenditure*	*Income*	*Expenditure*
General-purpose funds	25 567	27 287	27 269	20 943
Programme support cost funds	41 626	26 343	41 016	30 799
Special-purpose funds	439 727	401 506	455 381	398 404
Total	**506 920**	**455 135**	**523 666**	**450 146**

20. Total general-purpose income increased by 7 per cent (from $25.6 million in 2008-2009 to $27.3 million in 2010-2011). This reversed a trend of decline in general-purpose funding that began in 2006. However, the increase resulted from a single $7 million contribution to the Fund received in 2010; without that contribution, the decline would have continued. The UNODC budget for the biennium 2010-2011 projected a reduction in the general-purpose income, and a reduction in expenditure from 2009 levels was therefore proposed. During the biennium 2010-2011, general-purpose expenditure reduced significantly (by 23 per cent) compared with 2008-2009.

21. The proportion of special-purpose funds (earmarked by donors for specific projects) compared to general-purpose funds continues to place considerable strain on UNODC programmes and programme support services, which are funded from declining multilateral core resources (general-purpose funds and the regular budget). Most voluntary contributions are tightly earmarked to specific projects, leaving little operating flexibility to respond to complex programming and management improvement initiatives and the infrastructure required to deliver such programmes.

22. As at 31 December 2011, UNODC held cash balances of approximately $348 million. The Board considers this level of cash excessive, as it is equivalent to some 18 months' worth of expenditure. This level of cash on hand is due in part to the financial rules governing expenditure, which permit expenditure to be incurred on trust funds only if the funding required to meet the expenditure is available. As a result, UNODC holds significant available cash, as there is a delay between the cash receipt of contributions and the related expenditure. This also contributes to creating excesses of income over expenditure, as the expenditure implementation rate lags behind income. The Board was unable to obtain any evidence to justify the level of cash holdings or that management had considered ways to reduce the amounts on hand by, for example, accelerating programme implementation in a controlled manner.

23. **UNODC agreed with the Board's recommendation that it review its cash holdings with a view to minimizing the amounts on hand. This can be achieved by seeking ways to accelerate programme implementation in a controlled manner and by better matching contributions with realistic deployment schedules.**

3. Financial management

24. The Board noted some significant weaknesses in financial management controls at field offices. For example, in Senegal, regular payroll reconciliations were not routinely reviewed and signed by field office senior management. Payment obligations were not reviewed thoroughly at the end of the year, when there is a need to either reobligate or cancel them. The Board found that year-end returns to UNODC did not provide headquarters with assurance on performance and financial management information in the regions, and there was no evidence that the information had been challenged by regional office management before being passed to headquarters for consolidation within the financial statements. While the Board is content that there are no material issues affecting the fair presentation of the financial statements, it considers that headquarters needs to do more to scrutinize and challenge the information provided by field offices so that management has the appropriate assurance over the accuracy and completeness of what is being reported.

25. In addition, there are deficiencies in the Field Office Management Ledger, a system used by UNODC to record transactions within the field but not originally designed as a financial management system. The system does not provide appropriate segregation of duties, allowing procurement actions (raising of obligations), accounts payable (payment requests), payment reconciliations and reporting functions to be carried out in individual offices by the same person. Failure to enforce adequate segregation of duties exposes UNODC to increased risks of error, including fraud, when processing transactions.

26. **UNODC agreed with the Board's recommendation that it: (a) require regional representatives to provide evidenced monthly and year-end scrutiny of the financial returns, including obligations, from all country offices in the regions; and (b) institute a mechanism requiring senior field office management to review and sign monthly payroll reconciliations (of expected payments to staff against actual payments).**

27. **UNODC also agreed with the Board's recommendations that it: (a) strengthen financial management oversight and review in field offices; (b) evaluate the administrative structure within each regional office to ensure that the financial function is proportional to the size and programme in that office; and (c) implement system changes to aid segregation of duties within the regional office finance teams by the end of 2012.**

Risk management

28. The Board noted that UNODC had not established a structured organization-wide approach to risk. It also noted deficiencies in UNODC arrangements for managing risk in the field:

(a) The Board's testing of expenditure brought to light risks with imprest advances, especially when handling cash, that were not identified in individual field office risk registers;

(b) During the visits to the Bangkok and Senegal field offices, the Board experienced power outages, stoppages and delays that hampered its ability to work. This risk to business continuity had not been registered or mitigated by the field office;

(c) UNODC headquarters currently requires all project managers to set out in project proposal documents the risks that are outside of the control of UNODC, but not those that it can manage along with proposed mitigating actions.

29. **UNODC agreed with the Board's recommendation to implement a consistent organizational approach to risk management planning.**

Expenditure

30. The Board noted a serious example of UNODC failure to comply with procurement procedures. UNODC initiated an action in 2009 to procure five vehicles at a cost of approximately $219,000. The procurement action failed when the field office tried to charge the costs to a project without the required prior authorization of a donor. Consequently, payment was made only when the field office found sufficient approved funding from other donor sources in 2010. The Board noted that the amount paid was also higher than the original quotations for the vehicles.

31. UNODC also notified the Board of one case where $112,000 was committed for the purchase of two vehicles in 2009. The obligation was subsequently erroneously cancelled by the field office at the end of 2009, even though the vehicles had been delivered and placed on the UNODC asset register. The payment was made in 2010 and correctly recorded in the 2010-2011 financial statements. The late receipt of invoices and mislaid paperwork also contributed to the erroneous cancellation of the obligation. The Board considers that this error should have been caught earlier by the field office project managers.

32. UNODC strengthened its procedural arrangements for expenditure as a result of the lessons learned, for example, introducing obligation reviews at year's end. The Board considers that there is further scope for UNODC to manage risks by strengthening field controls and implementing more stringent regional and headquarters review of monthly and year-end returns.

33. **UNODC agreed with the Board's recommendation that it review and strengthen its finance structure within targeted regional and field offices to promote full compliance with all procedures.**

34. The Board also found that at each of eight field offices daily subsistence allowance for multiple attendees at meetings, totalling $49,887 (see table II.2), had been paid to one individual for disbursement without prior central authorization from the Chief of the Financial Resources Management Service. UNODC, upon request, was able to provide the Board with evidence to substantiate the payments in all cases.

Table II.2
Advance payments of daily subsistence allowance without prior approval by the Chief of the Financial Resources Management Service

Field office	*Amount (United States dollars)*	*Date of transaction*
Egypt	14 400	1 April 2010
Viet Nam	4 328	1 May 2010
Egypt	7 674	1 July 2010
Laos People's Democratic Republic	14 285[a]	1 December 2010
Indonesia	1 931	1 September 2011
Egypt	1 247[b]	1 November 2011
Laos People's Democratic Republic	3 629	1 November 2011
Thailand	2 393[c]	1 December 2011

[a] Of which $2,832 was returned.
[b] From a total of $9,968.
[c] From a total of $4,948.

35. UNODC informed the Board that the additional internal Financial Resources Management Service approval control was introduced to strengthen procedures in 2010 in relation to imprest advances, such as advance payments of daily subsistence allowance to one individual for disbursement. UNODC also reminded staff in the field offices to comply with the internal management procedures, but further unapproved payments late in 2011 indicate that further staff training is required so that all staff comply with the procedure.

36. **UNODC agreed with the Board's recommendation that it: (a) update and circulate its guidance on handling advance daily subsistence allowance payments for disbursement and issue regular reminders to all staff; and (b) implement spot checks to foster a culture of full compliance in all UNODC offices.**

Income

37. The Board found many inconsistencies in the treatment of income in which UNODC did not comply with its Programme and Operations Manual. While the Board was satisfied that the right amount of income was eventually correctly recognized in the books of account, it considers that UNODC procedures were unclear; as a result, the approach to clearance of funds and acceptance of income was applied inconsistently in approximately three quarters of all income cases that were tested. For example, the Board found 22 instances from a sample of 161 where field offices rather than UNODC headquarters, as required, had incorrectly authorized and signed for income. There were also 17 instances in which receipt of a donation committed UNODC to expenditure on projects that it had not formally cleared through proper approval from the General Assembly, contrary to rule 103.4 (b) of the Financial Regulations and Rules of the United Nations, which states that voluntary contributions, gifts or donations that directly or indirectly involve additional financial liability for the Organization may be accepted only with the approval of the Assembly. The Board also noted that UNODC did not always formalize or record changes in the use of income in the field that were not strictly in line with donors' intentions.

38. UNODC agreed with the Board's recommendation that it account for donations consistently and in accordance with United Nations regulations and rules and that any deviations from the regulations be properly recorded and justified at the point of receipt of the pledge.

39. UNODC also agreed with the Board's recommendation that it circulate to all staff improved guidance and instructions on income, including the clearance process, to remind them of the criterion for recognizing income.

40. UNODC informed the Board that it expected to implement system changes and updates to the Programme and Operations Manual and related systems by the end of the third quarter of 2012.

Recording and retention of information

41. The Board found weaknesses in the record-keeping of UNODC. Information was not always recorded clearly and systematically, leaving gaps in audit trails and making it difficult to determine whether rules and processes had been followed properly. While it was sometimes possible to reconstruct the basis for the decision from a range of other documents, it was time-consuming and inefficient. Deficiencies in record-keeping can limit management's ability to use historical information to inform future decisions and to provide assurance to stakeholders about how funding has been used.

42. UNODC agreed with the Board's recommendation that it record all information vital to its work within the system and make it available for multi-user purposes, with appropriate and complete cross-references to other documents and documentation of its professional judgements. UNODC should also set out a strategy defining the parameters of a plan to retain such documents and information relating to major processes.

43. UNODC informed the Board that it would continue to streamline and strengthen efforts to gather relevant information in the areas of income (recognition and recording) and assets.

4. End-of-service liabilities

44. In its resolution 64/241, the General Assembly requested the Secretary-General to continue to validate the accrued liabilities for after-service health insurance by having the figures audited by the Board and to include this information and the outcome of the validation in his report to the Assembly at its sixty-seventh session.

45. The financial statements for the biennium 2010-2011 report end-of-service and post-retirement liabilities amounting to $42.2 million. Of that, $30.2 million related to after-service health insurance, compared with $14.5 million at the end of the previous biennium. Changes in actuarial assumptions accounted for $9 million of the $15.7 million increase. UNODC is liaising with United Nations Headquarters on a common United Nations-wide policy for funding such liabilities.

46. UNODC agreed with the Board's reiterated recommendation to develop, in consultation with United Nations Headquarters, a comprehensive and effective solution to the funding of future commitments to its staff.

5. Cash and investments

Managing cash and investments

47. The cash and investments of UNODC increased by 67 per cent and 21 per cent respectively (see table II.3).

Table II.3
Cash and investments of the United Nations Office on Drugs and Crime
(Thousands of United States dollars)

Asset	*Balance as at 31 December 2011*	*Balance as at 31 December 2009*	*Increase*	*Increase (percentage)*
Cash	49 365	29 568	19 797	67.0
Investments in offices away from headquarters cash pool	298 442	245 824	52 618	21.4
Total	**347 807**	**275 392**	**72 415**	**88.4**

48. The balances of cash and investments of UNODC result from:

(a) Large funding contributions received in advance of the commencement of projects;

(b) Unused resources and surpluses carried forward from the previous biennium;

(c) Implementation rates lagging behind funding contributions.

49. Of the $49 million in cash, $46 million is held in one country where the Government funds the UNODC country programme, which among other schemes makes regular cash payments to farmers not to grow illicit crops, requiring high levels of cash in the bank account. The Board notes that since the end of the biennium, this balance has decreased by approximately $15 million. The Board has examined the management of the investments in its report on the United Nations (A/67/5 (Vol. I)).

50. **UNODC agreed with the Board's recommendation that it review the levels of cash and investments that it holds on a monthly basis, analyse its cash flow and aid the review of programme and project implementation.**

6. Management of expendable and non-expendable property

51. UNODC is a globally dispersed operation and therefore highly dependent on effective asset and inventory management. As at 31 December 2011, UNODC held $26 million worth of non-expendable property (compared with $42 million as at 31 December 2009)[1] and an estimated $5.9 million worth of expendable property (compared with $5.5 million as at 31 December 2009).

Non-expendable property

52. On the basis of an extrapolation of errors detected during testing, the Board estimated that non-expendable property was overstated by $1.15 million at the two

[1] During the biennium there were $10 million worth of additions and $26 million worth of write-offs.

field offices that it visited during the biennium, against a population of vehicles and equipment recorded at $5.75 million. The errors arose because registers included items that could not be located or were obsolete; assets that had been written off but remained on the inventory; and additional costs that should not have been included in the asset valuations. In addition, assets transferred to third parties were not clearly documented or updated on the register. Further testing at UNODC headquarters during the biennium indicated that these problems extended across all field offices and, to a lesser extent, at headquarters.

53. **UNODC agreed with the Board's recommendation that it: (a) fully cleanse its non-expendable property asset registers; (b) list all separately identifiable assets on the register; (c) include in handover documents the roles and responsibilities of UNODC and the beneficiary; (d) update the field office inventory record to reflect the instances where inventory has been written off by the Property Survey Board; and (e) attach handover documents to the field office inventory record.**

54. As a result of the Board's findings, UNODC made progress in identifying and writing off $26.7 million worth of assets in country offices, reducing the likely level of error within non-expendable property records as at 31 December 2011. However, UNODC recognizes that there is further work to do in this area. The current write-off figure includes, for example, a provision for aged assets acquired before 2004, which owing to their age are highly likely to be obsolete, but have not yet been written off. UNODC intends to systematically cleanse assets as part of its planned implementation of IPSAS.

55. UNODC has taken action to adjust the non-expendable property figure reported as a disclosure note to the accounts, and the errors found by the Board are not considered to be significant enough to have an impact on the Board's opinion. However, there is potential for future qualification of the accounts if the asset registers and management processes are not updated and well maintained in the future, as asset values will be disclosed in the main financial statements when IPSAS-compliant financial statements are introduced.

56. In relation to IPSAS implementation, the Board noted that, under IPSAS 17, the directly attributable cost of bringing an asset into its intended use must be recognized (including delivery, handling, insurance, installation, professional fees and the estimated cost of dismantling and restoring). At present, there is no method of capturing the full purchase cost and related costs in the field office inventory.

57. **UNODC agreed with the Board's recommendation that it: (a) enhance the field office inventory database so as to capture the costs directly attributable to bringing assets into use; and (b) cleanse the field office inventory data so that the purchase cost and other costs, such as delivery and handling, are captured for existing assets.**

Expendable property

58. As at 31 December 2011, UNODC held approximately $5.9 million worth of expendable property. The Board found weaknesses in the management of these assets in the two field offices and at headquarters, including obsolete items held at full value, missing items and incomplete data on the registers, where, for example, model numbers and serial numbers were missing.

59. **UNODC agreed with the Board's recommendation that it: (a) cleanse and update the inventory registers to include all relevant information, such as serial and model numbers; and (b) tag assets without unique reference numbers, such as furniture, with a field office inventory reference number.**

7. Procurement

60. The Board reviewed the role of the Division for Management of the United Nations Office at Vienna, which has lead responsibility for procurement at the Office and at UNODC. During the biennium 2010-2011, the United Nations Office at Vienna handled 693 requisitions (from both the Office and UNODC) with a total value of $32 million. Because the United Nations Office at Vienna is part of the Secretariat, the Board's key findings will be included in its report on the United Nations (A/67/5 (Vol. I)). Given the closely integrated nature of UNODC and the United Nations Office at Vienna, however, the findings are also included in the present report.

Delegations of authority

61. Records of delegations of authority, which set out limits of authority to procure goods and services on behalf of clients both at the United Nations Office at Vienna and at UNODC, were not up to date.. This creates a risk that the Procurement Section and requisitioners are unclear about the level of transactions that the Section is authorized to process, leading to breaches of delegated levels of authority.

62. **The United Nations Office at Vienna agreed with the Board's recommendation that all procurement delegations be brought up to date and clearly communicated to relevant staff.**

63. UNODC subsequently provided the Board with scanned copies of the updated delegations, which indicate that all of the delegations had been updated by early April 2012. The Board will continue to monitor the situation in the coming biennium to see that the issue is fully resolved.

Performance monitoring and management

64. Systems for recording, monitoring and managing procurement requests were not adequately developed, limiting the ability of the United Nations Office at Vienna to plan, manage and evaluate its procurement performance.

65. The procurement system of the United Nations Office at Vienna contains detailed information on processing time and the value and number of requests, but it is difficult to extract performance data from the system. For example, the Office had to submit individual requests to its Information Technology Service to obtain the relevant data for the Board on the number of waivers (departures from the standard procurement route); requests, by originating section; the breakdown of requests between headquarters and field offices; the current and completed procurement actions, by value; the breakdown of the number of requests handled by team members by year; and the time taken to complete procurement actions, including average times.

66. At a minimum, the Service should be able to generate reports that allow the Procurement Section to group and analyse their caseloads by number, nature, value and complexity of requests and by originating section, including field offices.

67. **The United Nations Office at Vienna agreed with the Board's recommendation that it enhance its procurement performance data by defining its information needs and implementing enhancements to systems.**

68. The United Nations Office at Vienna had implemented a number of improvements at the time of the Board's final audit and has plans to make further improvements by October 2012.

Compliance and competition

69. The United Nations Procurement Manual specifies both standard processing times for procurement and the circumstances in which organizations may depart from standard procedures (where a waiver may be applied). From a detailed review of five procurement cases, the Board identified that:

(a) In one case, only one bid had been received from suppliers. The relatively late submission of the request for procurement (for a conference facility, including accommodation, for approximately 50 people), in relation to the required delivery date, may have played a part in the lack of bids from the other five hotels invited to bid;

(b) In another case, delays in finalizing the terms of reference for the procurement of high-volume photocopiers led to an existing contract being extended by 14 months, despite the Procurement Section reminding the requisitioner of the need to begin the process well in advance of the expiry of the existing contract. The Board calculated that the difference between the cost of the initial contract and that of the contract ultimately awarded resulted in additional costs of over $41,000.

70. **UNODC and the United Nations Office at Vienna agreed with the Board's recommendation that they communicate urgently to all requisitioners, and on a regular basis thereafter, as necessary, the importance of timely commencement and completion of procurement processes so as to facilitate effective competition and avoid unnecessary expenditure.**

8. Progress towards the implementation of the International Public Sector Accounting Standards

71. The United Nations central IPSAS implementation team has shared guidance and templates on project plans with UNODC, but these are largely focused on monitoring implementation, rather than any detailed templates to help UNODC to meet the data requirements. UNODC arrangements are made complex by the coexistence of two ledger systems (IMIS and PeopleSoft), which means that it will need to plan system changes and interdependencies very carefully. UNODC has assessed what it needs to do in preparation for the transition to IPSAS. While it has established a local implementation team, the team currently lacks sufficient resources to complete the planned tasks within the set deadlines. UNODC has started the process of gathering data to value assets and arrive at its IPSAS opening balances, but this is not well advanced against the timetable. UNODC has the additional risk of a large number of field offices holding incomplete asset data registers to coordinate in this regard.

72. UNODC agreed with the Board's recommendation that it: (a) discuss with United Nations Headquarters whether adequate resource allocations and funding will be made available to UNODC; and (b) revise its local IPSAS implementation plan in the light of progress to date.

9. Strategic and project planning and budgeting

Strategic planning

73. Since 2008, UNODC has been implementing a new approach to developing its substantive work programme, primarily to address Member States' concerns about:

(a) Its financial sustainability and funding model;

(b) The strategic coordination of its activities;

(c) The transparency of its objectives and activities;

(d) The extent to which it was driven by donor priorities;

(e) The effectiveness of its engagement with all stakeholders;

(f) Communication among its divisions;

(g) Integration between headquarters and field offices.

74. UNODC has developed an "integrated programme" approach to address these concerns, where regional programmes, which reflect regional priorities, are linked to global, thematic programmes. All divisions within UNODC contribute to the development and implementation of these programmes. UNODC informed the Board that it expected the new approach to be fully implemented by mid-2013.

75. The Board noted that UNODC had not established how the success of the new approach to strategic planning and budgeting would be measured or evaluated. The new approach would also have associated costs of implementation which UNODC had not attempted to estimate. Without clear, measurable indicators of success, there is a risk that UNODC will be unable to demonstrate that it has addressed the concerns expressed by Member States or that the change is cost-effective. UNODC stated that it was in the process of developing the terms of reference for a formal evaluation of the new approach, but it is unclear how the absence of measures of success will be addressed.

76. UNODC agreed with the Board's recommendation that it set out how the success of the new approach to strategic planning and budgeting would be measured and include an assessment of the cost of implementation.

Strategic alignment

77. It is important that the aims and objectives of an organization be consistently articulated and, where layers of strategy exist, that they be aligned in support of a consistent and shared understanding at all levels of the organization. Failure to align such documents can result in staff focusing efforts on peripheral activities, undermining the achievement of the organization's aims. To test for this alignment, the Board reviewed the following strategic documents:

(a) Medium-term Strategy for the period 2008-2011 (E/CN.7/2007/14-E/CN.15/2007/5);

(b) Strategic framework for the period 2010-2011 (A/63/6/Rev.1);

(c) "Menu of services" (a summary for stakeholders of what UNODC delivers);

(d) Guidance note on the integrated programme;

(e) The seven thematic programmes.

78. While the Board found a good degree of alignment between the medium-term strategy and the strategic framework, it also noted some deficiencies: most importantly, the detailed indicators of achievement for objectives in the seven thematic programmes do not align clearly with the indicators of achievement in the UNODC strategic framework for 2010-2011. UNODC informed the Board that some documents had been prepared in parallel rather than in logical sequence, so some degree of misalignment had been inevitable. However, as long as the lack of alignment continues, there is a risk that the efforts of UNODC will be focused on activities that are not central to its strategy.

79. **UNODC agreed with the Board's recommendation that, when each strategic document is updated, it clearly align: (a) the aims and objectives set out in the documents; and (b) the timing of preparation of future strategies and supporting documents, including the thematic programmes.**

80. The Strategic Planning Unit and the Programme Support and Oversight Unit of UNODC have produced, as a first step, a note on UNODC strategic alignment to facilitate the process.

10. Performance reporting and management

81. UNODC started developing a results-based management framework in 2003 as part of a change management project to improve the management of its operations and performance reporting. A project to facilitate the delivery of results-based management was established in 2005. The Board examined the progress of UNODC in embedding results-based management, focusing primarily on reporting within its Division for Operations, which accounts for 81 per cent of UNODC expenditure, and found that results-based management was not yet fully embedded in UNODC operations. The Board's findings are set out below.

Performance indicators

82. Performance can be effectively monitored and managed only if, from the outset, clear and measurable indicators are established to assess progress and delivery. The Board noted that UNODC had defined a large number of outcomes, outputs and performance indicators in its seven regional programmes (138 performance indicators on average, with 28 being the lowest and 207 being the highest; see table II.4). The high number of indicators inevitably have resource implications, in terms of the inputs required by UNODC to gather data to measure them. As noted below, the Board found examples of indicators in relation to which UNODC was not sure whether it could gather the information.

Table II.4
Regional programmes of the United Nations Office on Drugs and Crime
(Millions of United States dollars)

	Estimated budget requirement	*Number of*				
		Years	*Countries*	*Outcomes*	*Outputs*	*Performance indicators*
West Africa	191	5	23	12	39	125
Eastern Africa	41	4	13	31	69	137
East Asia and the Pacific	121	4	34	22	84	196
Central America	34	4	22	14	43	196
South Eastern Europe	4	2	5	10	23	81
Arab States	100	5	18	27	101	207
Afghanistan and neighbouring countries	63	4	8	11	28	28
Average	**79**	**4**	**18**	**18**	**55**	**138**

83. The Board found that the regional programmes were not focused on priorities but rather contained all of the activities that UNODC believes are needed in the region. Each of the regional representatives in the two regions that the Board visited (the Regional Centre for East Asia and the Pacific and the Regional Office for West and Central Africa) acknowledged that the complete delivery of their regional programmes highly dependent on whether funding was secured for all of the activities; both also acknowledged that this was unlikely within the life of the programmes. UNODC informed the Board that it was considering ways to improve the indicators and to place a greater emphasis on key priorities. The Board considers it important for UNODC to have the right balance between interim output and longer-term outcome indicators.

84. From its review of two regional programmes, the Board found that:

(a) The performance indicators for 12 of 14 outputs examined in detail, from a total population of 123 outputs, would not provide an adequate measure of performance. For example, output 3.3 of subprogramme 4, Promoting awareness and research, in the Regional Programme for West Africa, Improved availability and use of publicly accessible data on drugs and crime, did not include any indication of the expected level of change or improvement;

(b) Significant efforts would be required to secure the data for some indicators, and it was unclear whether the data was available or existed. For example, in the regional programme for East Asia and the Pacific, outcome 1.2, Trafficking in persons, lists relevant national Government agency records, victim support group records, periodic analysis of available data by UNODC, and periodic qualitative survey of selected countries by UNODC using structured stakeholder interviews and focus groups as the means of verification required to measure performance. The Regional Representative acknowledged that UNODC had not assessed whether it was able to secure all of this information.

85. The Board noted that such means of verification as relevant national agency records would be required for 20 indicators (some 10 per cent of the total number of

indicators) in the regional programme for East Asia and the Pacific, and for 22 indicators (about 18 per cent) in the regional programme for West and Central Africa. The regional representatives for both regions confirmed that the absence of baseline data in many of the countries with which they engaged was a barrier in developing strong performance data. Given these factors, this issue is likely to affect most, if not all, of the seven regional programmes.

86. It is important that outcomes, outputs and indicators align clearly with an organization's overall strategy. This is reflected in the Programme Logic Model approach recommended by the Secretary-General in The Change Plan: Proposals by the Change Management Team to the Secretary-General of December 2011. While the Board found that there was broad alignment between the regional programme outcomes of UNODC and its medium-term strategy, indicators at the individual project level were not clearly linked to those in the strategy. UNODC cannot, therefore, aggregate the indicators to provide an overall picture of performance, and senior management will be unable to determine whether effective progress is being made against UNODC strategic objectives.

87. **The Board recommends that, when updating each of its regional programmes, UNODC: (a) specify a realistic and achievable set of priorities for the period of each programme; (b) establish robust, realistic and measurable performance indicators; (c) identify a manageable number of key performance indicators balanced between outcome and output indicators; and (d) clearly link individual project performance indicators to the indicators set out in its strategic framework so as to allow the aggregation of the indicators and provide senior management with a clear assessment of progress against its strategic objectives.**

88. While UNODC was in broad agreement with the Board's recommendation, it stated that determining priorities could be difficult, owing to its reliance on voluntary contributions to deliver its programmes and the extent to which such contributions could influence activities. The Board remains of the view that, in the absence of clear priorities, UNODC risks undertaking peripheral activities within the regions at the expense of those that are considered essential to the delivery of its core objectives.

Programme monitoring

89. Progress towards the implementation of the regional programmes is not routinely reported or analysed by UNODC headquarters. As at 31 March 2012, only two regional programmes had been reviewed by the Programme Review Committee, despite three of the seven being due to end in 2012. Only one regional office (the Regional Centre for East Asia and the Pacific) provides a regular report to stakeholders on the progress of its programme.

90. **UNODC agreed with the Board's recommendation that it establish, by December 2012, a mechanism for reporting, both internally and to external stakeholders, progress on the implementation of the regional programmes.**

Project development

91. UNODC implements its mandates primarily through individual projects. In 2011, UNODC had approximately 369 ongoing projects worldwide, with a total

associated expenditure for the biennium of $398 million. The Board reviewed 13 of 81 projects under implementation by the Regional Centre for East Asia and the Pacific, in Bangkok, and the Regional Office for West and Central Africa, in Dakar, to determine whether they included:

(a) A clear articulation of the problem that the project is seeking to address;

(b) A baseline against which progress and success could be measured;

(c) A summary of the risks to successful delivery of the project and associated mitigation strategies.

92. The Board noted that:

(a) In 6 of the 13 projects, UNODC had not clearly articulated the problem that it was seeking to address;

(b) Only three projects set out a clear baseline against which future success could be measured, although in four of the remaining projects it was indicated that a baseline would be secured once the project commenced;

(c) While all of the projects contained a section on risk, the risks were limited to those outside of UNODC control. There was no mention of the risks that UNODC would need to manage to deliver the projects or of how risks would be addressed. Furthermore, none of the project budgets contained any element of contingency to manage risks or other unforeseen factors.

93. **UNODC agreed with the Board's recommendation that, by September 2012, all new project proposals: (a) clearly and succinctly define the problem that the project is intended to address; (b) establish a clear baseline against which to assess delivery, or provide a clear explanation of how the baseline will be established; (c) identify and document the material risks and mitigating actions, including setting aside an element of contingency within project budgets, to address unknown risks.**

94. UNODC has made changes to the template used to develop project proposals, although it will take time for the changes to take full effect. The Board notes that the new template should help to address the first point of the recommendation, but that there is no specific requirement to include baseline data. Nor has there been any change in relation to the Board's comment on risk. The Board remains of the view that baselines and all material risks and mitigating actions should be included in project proposals.

Information management

95. The Board examined performance reporting arrangements in the UNODC Division for Operations, which is responsible for the field office network, including the regional programmes. While the Division undertakes a range of performance reporting and quality assurance activities, the Board noted the following limitations:

(a) The quarterly monitoring report sent from field offices to the Director of the Division contains six high-level indicators, all related to either expenditure rates or compliance with internal processes. However, the report does not measure progress against agreed milestones;

(b) While project managers must prepare and submit annual and semi-annual progress reports, no one draws together the content of those reports to produce an overall picture of progress at the regional programme level for senior management;

(c) The overall planned expenditure for the year is profiled as a steadily rising straight line, from zero to the annual planned expenditure figure, despite projects rarely following such an expenditure profile in reality. Because monitoring is undertaken on a semi-annual basis, management risks pursuing clarification of underspending and overspending that may, in fact, be in line with projects' actual budgets, or missing real problems with project implementation.

96. **The Board recommended that, by December 2012, UNODC: (a) capture summary progress information on projects and programmes against milestones agreed at the beginning of the project or programme as part of its central monitoring process; and (b) monitor spending against a realistic forward profile of expected expenditure.**

97. While UNODC agreed with the Board's recommendation, it noted that current information technology systems limited its ability to derive the performance information needed to run its business effectively. It is difficult to secure timely financial programme information on regional activity, and the systems are not able to generate financial reports for donors. In 2011, UNODC generated 555 reports to donors, all of which were produced manually.

98. The Board noted that UNODC was seeking to develop its systems in order to strengthen business processes and reporting mechanisms. For example, the Finance Section is developing an application that would make donor reporting easier; the Strategic Planning Unit is developing an application to help project managers align UNODC strategy and projects when developing the latter; and the Independent Evaluation Unit is developing an evaluation tracking system. However, these activities could be more strategically coordinated.

99. The Board found examples of innovation and new ways of working that could benefit other areas of the Office:

(a) The Regional Representative for Bangkok has developed a performance reporting dashboard to summarize the financial position on all regional projects in a single document. This also allows him to identify and follow up variances against projected expenditure profiles with project coordinators in the field;

(b) The Country Representative for Pakistan has developed a management reporting system that attempts to link project progress to the achievement of outcomes. This provides a view of how individual activities within projects contribute to country-level outputs and outcomes and a basis to secure donor funding for outputs and outcomes, rather than specific projects.

100. **UNODC agreed with the Board's recommendation that, by mid-2012, it: (a) coordinate the computer application improvement projects being undertaken by the Finance Section, the Strategic Planning Unit and the Independent Evaluation Unit; and (b) implement the changes necessary to address the performance reporting limitations in its information technology systems, taking account of current developments in those sections and of the dashboard tool of the Regional Centre for East Asia and the Pacific and the management reporting system of the Country Office for Pakistan.**

101. UNODC stated that it planned to establish a team to coordinate activities and implement the necessary improvements.

Evaluation

102. It is important that projects and programmes be evaluated to provide assurance that funding has been used for its intended purpose and that expenditure has provided value for money. Evaluation also informs future activity by collating, analysing and sharing experience and learning.

103. UNODC proposes to evaluate all seven of its existing regional programmes between 2012 and 2015. The Board noted that robust results frameworks with measurable indicators were not in place for the regional programmes; this will require evaluators to determine, retrospectively, the success measures for the programmes. This is not good practice and creates a risk that evaluation will focus on what has been achieved rather than what should or could have been achieved.

104. UNODC informed the Board that the regional programme for East Asia and the Pacific would be the first to be evaluated, by a team of independent consultants, with the UNODC Independent Evaluation Unit carrying out quality assurance. UNODC informed the Board that it would be preparing the evaluation in accordance with its internal guidance on performing in-depth evaluations. However, given the significance of the regional programmes and the absence of success measures highlighted by the Board, it is vital that UNODC establish the detailed methodology for the evaluation at an early stage, including baseline information against which progress can be measured.

105. **The Board recommends that UNODC: (a) establish a detailed methodology for evaluating the regional programme for East Asia and the Pacific; (b) use the experience to inform the methodology for the remaining regional programmes; and (c) complete the evaluations in time to inform future regional programme development.**

106. UNODC indicated that it planned to use its documented procedure for in-depth evaluations, which would form the methodology. However, the Board maintains the view that a more detailed methodology, one specific to the regional programmes, should be a matter of priority. The Board acknowledges that the retrospective identification of success measures poses challenges and that UNODC will need to consider carefully how much resource to expend on such activities.

107. Evaluation is a joint process in which project and programme managers are expected to identify, plan for and undertake or commission evaluations of projects, with the UNODC Independent Evaluation Unit providing advice and guidance. UNODC has invested in the Unit during the biennium, increasing its human resources from one to three Professional staff, although the third staff member was still to be recruited at the time of the Board's final audit.

108. UNODC was unable to provide the Board with information on the extent of evaluation at the project level, including the number of projects due to be evaluated in 2011, expenditure on evaluations, and the common themes or lessons that have emerged from completed evaluations. However, the Independent Evaluation Unit has prepared ad hoc summaries of evaluation findings for two regions to help illustrate to managers how to analyse evaluation findings, and it is developing an

evaluation portal to place all evaluation plans online and automate the collation of findings, conclusions and recommendations from individual evaluations.

109. It will be important that UNODC analyse its evaluations in order to identify lessons and good practices. While the Independent Evaluation Unit could carry out the analysis, it is not clear that it will do so on an ongoing basis. Regardless of who undertakes the analysis, it is important that the lessons be systematically disseminated and applied in programme design and implementation by the relevant sections throughout UNODC.

110. Finally, the Board notes that the Independent Evaluation Unit has proposed an indicative budget for individual project evaluation (2-3 per cent of the overall project budget). While the responsibility both for setting the necessary funds aside and for commissioning the evaluation rests with individual project managers, the Board considers that there may be economies of scale and expertise if the Independent Evaluation Unit, once it is fully operational, coordinates and manages this activity.

111. **The Board recommends that in 2012 UNODC: (a) determine how best to regularly collate and analyse project evaluation reports in order to identify and disseminate lessons or recurring problems; (b) allocate responsibility for implementing any necessary improvements to the relevant sections; and (c) determine the most effective and efficient way to coordinate and manage budgets for evaluations.**

112. UNODC informed the Board that the Independent Evaluation Unit's development of the online portal would help to support the sharing of lessons and that it would consider how best to analyse and disseminate the lessons. UNODC is of the view that it is for individual project and programme managers to analyse the findings of evaluations in their region and determine the lessons most relevant to their projects. However, the Board considers that lessons are likely to be of value beyond geographical boundaries and that review of all evaluations by individual project managers is an inefficient way to disseminate lessons. Furthermore, until the portal is developed, it is unclear to the Board whether it will provide helpful analysis. UNODC informed the Board that it would consider the scope for the Independent Evaluation Unit to coordinate and manage evaluation budgets, but believed that the resource implications were likely to be too great for what is a relatively small team.

D. Disclosures by management

1. Write-off of cash, receivables and property

113. UNODC informed the Board that, in accordance with rule 106.8 of the Financial Regulations and Rules of the United Nations, $8.197 million worth of losses in cash and receivables had been written off for the biennium 2010-2011 (compared with $1.975 million for 2008-2009). In accordance with rule 106.9, losses amounting to $27.21 million (compared with $3.73 million for 2008-2009), had been written off in respect of non-expendable property, as a result of the concentrated effort of UNODC to cleanse the data relating to its non-expendable property.

2. Ex gratia payments

114. As required by financial rule 105.12, UNODC reported no ex gratia payments for the period under review (compared with $10,460 for 2008-2009).

3. Cases of fraud and presumptive fraud

115. No instances of fraud or presumptive fraud were identified by the Board or communicated by UNODC to the Board during the reporting period.

E. Acknowledgement

116. The Board wishes to express its appreciation for the cooperation and assistance extended to its staff by the Under-Secretary-General and members of his staff.

(*Signed*) **Liu** Jiayi
Auditor-General of China
Chair of the Board of Auditors

(*Signed*) Amyas **Morse**
Comptroller and Auditor General of the
United Kingdom of Great Britain and Northern Ireland
(Lead Auditor)

(*Signed*) Terence **Nombembe**
Auditor-General of South Africa

30 June 2012

Annex

Status of implementation of the Board's recommendations for the biennium ended 31 December 2009[a]

Summary of recommendation	*Paragraph reference*	*Financial period first made*	*Fully implemented*	*Partially implemented*	*Not implemented*	*Overtaken by events*
Prepare for the migration to and implementation of Umoja	32	2008-2009			X	
Statement of income and expenditure should include those from the United Nations regular budget	39	2008-2009			X	
Revisit accounting treatment of education grants	48	2008-2009				X
Follow up and monitor unpaid pledges	53	2008-2009	X			
Formal prior approval of the revision of the budget for the biennium 2008-2009	58	2008-2009	X			
End-of-service liabilities — funding plan	66	2006-2007			X	
End-of-service liabilities — valuation of leave	75	2008-2009		X		
End-of-service liabilities — accuracy of data used in calculation	79	2008-2009	X			
End-of-service liabilities — modify notes	84	2008-2009	X			
Country office bank account	104	2008-2009	X			
Implementing partners' expenditure	112	2008-2009		X		
Non-expendable property/inventory formal internal control procedures	117	2006-2007		X		
Non-expendable property/inventory process	118	2006-2007		X		
OIOS memorandum of understanding	124	2008-2009	X			
OIOS field office recommendations	136	2008-2009		X		
Total		**15**	**6**	**5**	**3**	**1**
Percentage		**100**	**40**	**33**	**20**	**7**

[a] See A/65/5/Add.9.

Chapter III
Certification of the financial statements

The financial statements of the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund for the biennium ended 31 December 2011 have been prepared in accordance with rule 106.10 and article VII of the Financial Regulations and Rules of the United Nations.

In accordance with General Assembly resolutions 46/185 C and 61/252, the Executive Director of UNODC is responsible for the accounts of the Drug Programme Fund and the Crime Programme Fund and for submitting these accounts and related financial statements to the Board of Auditors, the Commission on Narcotic Drugs, the Commission on Crime Prevention and Criminal Justice and the Assembly.

The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. The notes and the accompanying schedules provide additional information and clarification of the financial activities undertaken by UNODC during the period covered by the statements.

I certify that the appended financial statements of the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund are correct on the basis of our records and reports from executing agencies.

(*Signed*) Yury **Fedotov**
Executive Director
United Nations Office on Drugs and Crime

30 March 2012

Chapter IV
Financial report for the biennium ended 31 December 2011

A. Introduction

1. The financial statements of the Fund of the United Nations International Drug Control Programme, established pursuant to General Assembly resolution 45/179, and the United Nations Crime Prevention and Criminal Justice Fund, established pursuant to Assembly resolution 46/152, for the biennium ended 31 December 2011 have been prepared in accordance with rule 106.10 and article VII of the Financial Regulations and Rules of the United Nations.

2. In accordance with General Assembly resolutions 46/185 C and 61/252, the Executive Director of UNODC is responsible for the accounts of the Funds and for submitting these accounts and related financial statements to the Board of Auditors, the Commission on Narcotic Drugs, the Commission on Crime Prevention and Criminal Justice and the Assembly.

3. The financial statements for the biennium ended 31 December 2011 present a consolidated account of the Funds of the Drug Programme and the Crime Programme, as well as separate accounts for each of these Funds. A summary of significant accounting policies applied in the preparation of these statements are included as notes to the financial statements. These notes and the accompanying schedules provide additional information and clarification of the activities undertaken by UNODC during the period covered by these statements.

4. Copies of these statements are made available to the Commission on Narcotic Drugs, the Commission on Crime Prevention and Criminal Justice, the Advisory Committee on Administrative and Budgetary Questions, the Board of Auditors and the United Nations Controller.

5. Regular budget resources for UNODC are approved by the General Assembly in sections 16 and 22 of the programme budget of the United Nations. Those resources will be included in the financial report and audited financial statements of the United Nations for the biennium ended 31 December 2011 (A/67/5 (Vol. I)). To present a consolidated picture of UNODC resources, information on regular budget resources for UNODC is included in the present financial report, even though the regular budget is not part of the financial statements.

B. Overview

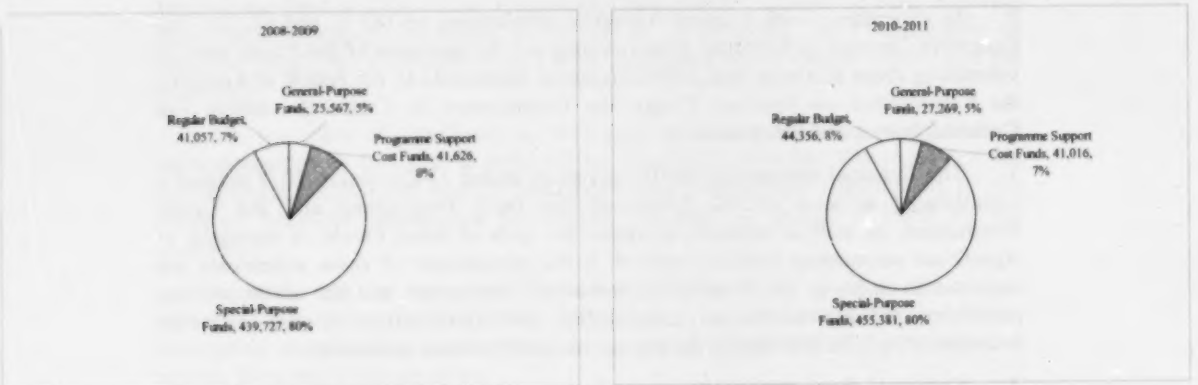
Income and expenditure by source of funding

6. The consolidated resources of UNODC remained stable in the biennium 2010-2011, as can be seen in table IV.1 and figure IV.I below, with a total increase in voluntary contribution income of 3 per cent due to an increase in extrabudgetary income in the United Nations Crime Prevention and Criminal Justice Fund, and an increase of 8 per cent from the regular budget.

7. The stable level of total income in extrabudgetary funds in the biennium 2010-2011 demonstrates that donors continue to show confidence in the ability of UNODC to provide assistance to Member States in their struggle against illicit

drugs, crime and terrorism in all its forms and manifestations, as per its mandate. Although voluntary contributions continued to be provided to UNODC at the same rate as in the previous biennium, with a net 3 per cent increase in income, there has been a shift in the funding provided to the two Funds, with the United Nations Crime Prevention and Criminal Justice Fund having an income increase of 57 per cent (an additional $85.9 million) and a decrease in the Fund of the United Nations International Drug Control Programme of 19 per cent, or $69.1 million.

Figure IV.I
Income of the United Nations Office on Drugs and Crime, by source of funding
(Thousands of United States dollars)



8. This shift is also reflected in UNODC programme delivery for the biennium, as expenditure increased by 29 per cent for the Crime Programme Fund while it decreased by 13 per cent in the Drug Programme Fund, maintaining the same total level of expenditure.

9. The allocation of United Nations regular budget resources to the programme of UNODC for the biennium 2010-2011 included a slight increase (8 per cent) due to nine additional posts approved for the review mechanism of the United Nations Convention against Corruption, as well as rate of exchange, post incumbency and other changes. These figures are summarized in table IV.1 below.

Table IV.1
Income and expenditure, by source of funding
(Thousands of United States dollars)

	Biennium			
	2008-2009		*2010-2011*	
	Income	*Expenditure*	*Income*	*Expenditure*
Drug Programme Fund	355 648	321 522	286 507	278 334
Crime Programme Fund	151 273	133 613	237 159	171 812
Regular Budget	41 057	40 964	44 356	44 060
Total	**547 978**	**496 099**	**568 021**	**494 206**

10. Statements I, II and VII and schedules 1, 4 and 5 of the financial statements summarize the consolidated results of activities funded from the and Funds of the Drug Programme and the Crime Programme, which account for all UNODC activities other than those funded by the United Nations, primarily from its regular budget.

11. General-purpose funds are non-earmarked resources that finance the executive direction and management of UNODC, as well as programme costs both at headquarters in Vienna and in the field. They are also used to fund advances for projects and other field operations. Programme support cost funds are resources recovered through the application of a charge against activities funded from special-purpose contributions. As approved in resolution 50/14 of the Commission on Narcotic Drugs and resolution 16/6 of the Commission on Crime Prevention and Criminal Justice, starting in 2008 UNODC reported programme support resources as a separate category of funds, while in previous bienniums such resources were classified as general-purpose funds. Special-purpose funds are earmarked voluntary contributions that finance the Office's technical cooperation and other substantive activities at headquarters and in the field.

12. Total general-purpose income increased by 7 per cent (from $25.6 million for the biennium 2008-2009 to $27.3 million for 2010-2011 — see table IV.2 below) and reflects a one-time $7 million contribution to the Fund received in 2010. Although this additional funding has helped the general-purpose funds to maintain a stable position during the biennium, the decline in voluntary contributions to the general-purpose funds, which started in 2009, has not been reversed, and the level of contributions is still lower than that for the biennium 2006-2007. The budget for 2010-2011 had projected a reduction in the general-purpose income; a drastic reduction of expenditure from the levels incurred in 2009 was therefore proposed. The expenditure of $20.9 million for the biennium 2010-2011 reflects a reduction of 23 per cent, compared with $27.3 million for 2008-2009.

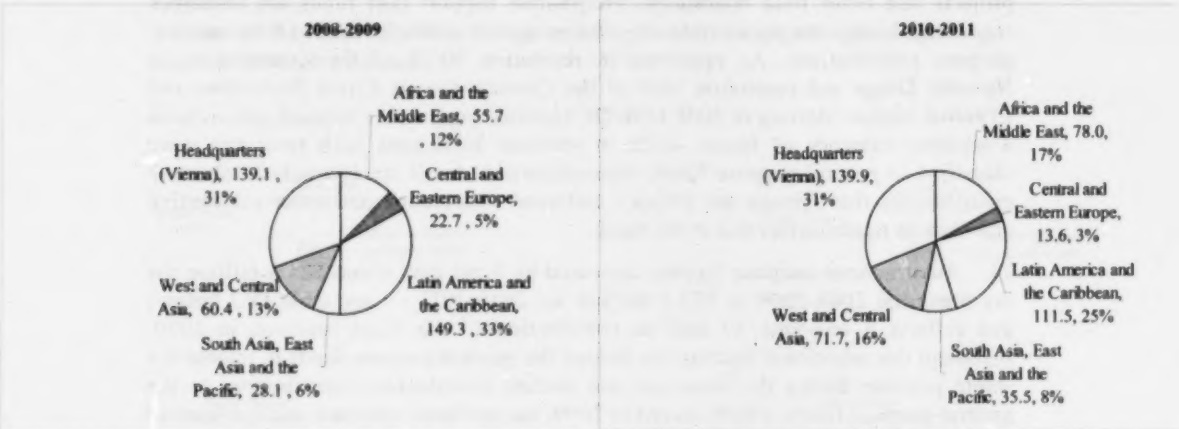
Table IV.2
Income and expenditure, by source of funding
(Thousands of United States dollars)

	Biennium			
	2008-2009		*2010-2011*	
	Income	*Expenditure*	*Income*	*Expenditure*
General-purpose funds	25 567	27 287	27 269	20 943
Programme support cost funds	41 626	26 343	41 016	30 799
Special-purpose funds	439 727	401 506	455 381	398 404
Total	**506 920**	**455 135**	**523 666**	**450 146**

13. Within the context of a stable total level of extrabudgetary funds, the level of expenditure shows growth in Africa and the Middle East, where major programmatic initiatives are being implemented following the endorsement and the launch of the UNODC regional programmes for East Africa, West Africa (including Nigeria) and the Arab States and the launch of a number of new national programmes in West Africa. Overall expenditure in Latin America and the

Caribbean was reduced, owing to a number of activities concluded as planned, while programme expenditure in West and Central Asia showed moderate growth. Expenditure changes from 2008-2009 to 2010-2011 are shown in figure IV.II below.

Figure IV.II
Expenditure of the United Nations Office on Drugs and Crime, by region
(Thousands of United States dollars)


2008-2009
Africa and the Middle East, 55.7, 12%
Headquarters (Vienna), 139.1, 31%
Central and Eastern Europe, 22.7, 5%
West and Central Asia, 60.4, 13%
Latin America and the Caribbean, 149.3, 33%
South Asia, East Asia and the Pacific, 28.1, 6%
2010-2011
Africa and the Middle East, 78.0, 17%
Headquarters (Vienna), 139.9, 31%
Central and Eastern Europe, 13.6, 3%
Latin America and the Caribbean, 111.5, 25%
West and Central Asia, 71.7, 16%
South Asia, East Asia and the Pacific, 35.5, 8%

14. The distribution of expenditure for the bienniums 2008-2009 and 2010-2011 across broad categories is shown in table IV.3 below. The minimal growth in staff costs represents the reduction in contractual services.

Table IV.3
Expenditure of the United Nations Office on Drugs and Crime, by object of expenditure
(Thousands of United States dollars)

	Biennium	
	2008-2009	*2010-2011*
Staff and other personnel costs	174 804	197 873
Travel	23 818	23 473
Contractual services	138 232	113 299
Operating expenses	31 110	35 190
Acquisitions	37 486	32 494
All other expenses	49 685	47 817
Total	**455 135**	**450 146**

Fund of the United Nations International Drug Control Programme

15. Statements III and IV and schedule 2 of the accounts summarize the results of the Fund of the United Nations International Drug Control Programme. The corresponding notes explain the accounting policies applied in the preparation of these statements and provide additional information and clarification of the financial activities undertaken during the biennium 2010-2011. The financial performance of the Fund is summarized in table IV.4 below.

Table IV.4
Income and expenditure of the Fund of the United Nations International Drug Control Programme
(Thousands of United States dollars)

	Biennium			
	2008-2009		*2010-2011*	
	Income	*Expenditure*	*Income*	*Expenditure*
General-purpose funds	19 720	20 755	21 233	16 691
Programme support cost funds	30 597	18 981	25 028	21 880
Special-purpose funds	305 331	281 787	239 446	239 763
Total	**355 648**	**321 522**	**286 507**	**278 334**

16. General-purpose income, comprising voluntary contributions, interest and miscellany, increased by $1.5 million (8 per cent), from $19.7 million in 2008-2009 to $21.2 million in 2010-2011. The voluntary contributions component of the total income increased by $1.9 million (10 per cent), from $18.6 million in 2008-2009 to $20.5 million in 2010-2011; the one-time contribution to the Fund by one donor helped to counter the drastic decreases in general-purpose contributions from several major donors.

17. Programme support income decreased by 16 per cent ($4.8 million), from $30.6 million in 2008-2009 to $25.8 million in 2010-2011, owing mainly to the decrease of the Programme's expenditure in special-purpose funds, which went from $281.8 million to $239.8 million in 2010-2011, a 15 per cent decrease amounting to $42 million.

18. Special-purpose funds income also decreased, by $65.9 million (22 per cent), from $305.3 million in 2008-2009 to $239.4 million in 2010-2011, shifting the weight of UNODC programme delivery for the biennium from the Drug Programme Fund to the Crime Programme Fund, as referred to in paragraph 8.

United Nations Crime Prevention and Criminal Justice Fund

19. Statements V and VI and schedule 3 of the accounts summarize the results of the United Nations Crime Prevention and Criminal Justice Fund. The corresponding notes explain the accounting policies applied in the preparation of these statements and provide additional information and clarification of the financial activities undertaken during the biennium 2010-2011. The financial performance of the Fund is summarized in table IV.5 below.

Table IV.5
Income and expenditure of the United Nations Crime Prevention and Criminal Justice Fund
(Thousands of United States dollars)

	Biennium			
	2008-2009		*2010-2011*	
	Income	*Expenditure*	*Income*	*Expenditure*
General-purpose funds	5 848	6 532	6 036	4 251
Programme support cost funds	11 029	7 362	15 188	8 919
Special-purpose funds	134 396	119 719	215 935	158 641
Total	**151 273**	**133 613**	**237 159**	**171 812**

20. General-purpose income had a minor increase of 3 per cent, from $5.8 million in 2008-2009 to $6 million in 2010-2011, fully in the voluntary contributions component. Programme support income increased by $4.1 million (38 per cent), from $11 million in 2008-2009 to $15.1 million in 2010-2011, owing to the increased level of expenditure in the special-purpose funds. Programme support expenditure was kept at $8.9 million (a 21 per cent increase from 2008-2009), a level lower than that of income earned during the same period.

21. Special-purpose income increased by $81.5 million (61 per cent), from $134.4 million in 2008-2009 to $215.9 million in 2010-2011, while the special-purpose expenditure increased by $38.9 million (33 per cent), from $119.7 million in 2008-2009 to $158.6 million in 2010-2011.

Challenges and changes, 2010-2011 and beyond

22. In 2009, UNODC faced a difficult financial situation characterized by a sharp and unexpected decline in general-purpose income, exacerbated by the global financial crisis. During the biennium 2008-2009, general-purpose voluntary contributions dropped by 17 per cent, to $24.3 million. In view of the financial difficulties, the consolidated budget for the biennium 2010-2011 for UNODC was fiscally austere, which is reflected in the lower level of expenditure in the general-purpose funds ($6.3 million below the expenditure for the biennium 2008-2009).

23. In view of the prevailing global economic situation, UNODC continues its efforts to contain general-purpose costs, as reflected in its budgets and reduced expenditure levels. In addition, UNODC continued in 2010-2011 with a prudent approach in the management of programme support cost funds by keeping the expenditure level lower than the income (25 per cent in 2010-2011) to ensure the building up of a prudent set of fund reserves.

24. The level of special-purpose funds in proportion to general-purpose funds continues to place considerable strain on UNODC programmes and programme support services, which are funded from declining multilateral core resources (general-purpose funds and the regular budget). Most voluntary contributions are tightly earmarked to specific projects and leave little operating flexibility to respond to complex programming and management improvement initiatives.

International Public Sector Accounting Standards

25. Pursuant to resolution 60/283, in which the General Assembly approved the adoption of IPSAS for the presentation of financial statements of the United Nations, including UNODC, and in conformity with the Secretary-General's most recent progress report on the adoption of IPSAS by the United Nations (A/66/379), UNODC has commenced preparatory activities that would enable its adoption of IPSAS and the issuance of IPSAS-compliant financial statements beginning in 2014.

26. In this connection, UNODC is currently undertaking activities on: (a) evaluation of the impact of the IPSAS framework on existing accounting records, processes and systems; (b) training of staff and other change management initiatives; (c) data preparation and construction of IPSAS-compliant opening balances; and (d) taking an active role in the system-wide IPSAS Steering Committee.

27. It must be noted that the adoption of IPSAS could, potentially, materially change the scope, presentation and timing of the financial statements of the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund and would enhance transparency and cross comparison with other international organizations, Governments and other public sector entities that have already adopted the standards.

After-service health insurance

28. Attention is drawn to note 7 to the financial statements explaining liabilities arising from end-of-service and post-retirement-benefit obligations of the Funds of the Drug Programme and the Crime Programme.

29. On the basis of note 7 and recent actuarial valuation, the present value of the accrued liability as at 31 December 2011 was estimated at $21,909,417 for the Fund of the Drug Programme and $8,268,583 for the Fund of the Crime Programme, compared with an estimated liability of $10,392,000 for the Fund of the Drug Programme and $4,084,000 for the Fund of the Crime Programme as at 31 December 2009. This increase of $15,702,000 mainly reflects an actuarial loss of $9 million resulting from a change in the assumption for discount rates from 6.0 per cent as at 31 December 2009 to 4.5 per cent as at 31 December 2011.

30. While UNODC is currently actively liaising with United Nations Headquarters for a common United Nations-wide policy on the systematic funding of such liabilities and the modality of funding of the liabilities already accrued in the past years, totalling $42.2 million in 2011 ($24.7 million in 2009), such liabilities have been temporarily disclosed as offsets to fund reserves; see note 8 to the financial statements. The $42.2 million worth of after-service health insurance and end-of-service liabilities is funded as follows: $7.3 million (17 per cent) from the accrued reserves, $25.3 million (60 per cent) from the general-purpose fund balance, $8 million (19 per cent) from the programme support fund balance and $1.5 million (4 per cent) from the special-purpose fund.

Chapter V
Financial statements for the biennium ended 31 December 2011

Statement I

Consolidated income and expenditure and changes in reserves and fund balances for the biennium ended 31 December 2011

(United States dollars)

	Reference	*General purpose*	*Special purpose*	*Programme support*	*Eliminations*	*Total* 2010-2011	*Total* 2008-2009
Income							
Voluntary contributions	Schedules 2 and 3	26 355 102	457 985 916			484 341 018	460 380 219
Funds received under inter-organization arrangements	Schedules 2 and 3		28 787 965			28 787 965	31 207 080
Other/miscellaneous income							
Programme support income	Schedule 5			40 396 643	(40 396 643)		
Interest income		505 677	7 467 558	459 401		8 432 636	13 177 813
Miscellaneous income		408 201	1 535 792	160 136		2 104 129	2 155 259
Total income		**27 268 980**	**495 777 231**	**41 016 180**	**(40 396 643)**	**523 665 748**	**506 920 371**
Expenditure	Schedule 4						
Staff and other personnel costs		18 767 764	154 175 240	24 948 472	(18 271)	197 873 205	174 803 821
Travel		542 114	22 250 930	688 883	(8 960)	23 472 967	23 817 722
Contractual services		208 684	112 776 676	313 621		113 298 981	138 232 434
Operating expenses		1 130 567	31 095 260	2 966 432	(2 604)	35 189 655	31 109 755
Acquisitions		252 488	30 752 094	1 490 789	(1 052)	32 494 319	37 486 133
Other		41 139	45 719 628	390 894		46 151 661	48 459 607
Programme support costs — implementing partners	Schedule 5		1 683 580		(18 200)	1 665 380	1 225 828
Total direct expenditure		**20 942 756**	**398 453 408**	**30 799 091**	**(49 087)**	**450 146 168**	**455 135 300**
Programme support costs — UNODC	Schedule 5		40 396 643		(40 396 643)		
Total expenditure		**20 942 756**	**438 850 051**	**30 799 091**	**(40 445 730)**	**450 146 168**	**455 135 300**
Excess (shortfall) of income over expenditure		**6 326 224**	**56 927 180**	**10 217 089**	**49 087**	**73 519 580**	**51 785 071**

	Reference	General purpose	Special purpose	Programme support	Eliminations	Total 2010-2011	Total 2008-2009
Prior-period adjustments	Note 4	(161 480)	(8 211 066)		272 451	(8 100 095)	(2 260 530)
Net changes in provisions and reserves			(803 731)			(803 731)	2 216 089
Net excess (shortfall) of income over expenditure		**6 164 744**	**47 912 383**	**10 217 089**	**321 538**	**64 615 754**	**51 740 630**
Transfers to (from) other funds	Schedules 2 and 3	952 473	3 150 958	(2 606 332)		1 497 099	
Refunds to donors			(3 903 326)		10 640	(3 892 686)	(1 603 226)
Other adjustments to reserves and fund balances	Note 8	(10 205 060)	(598 362)	(5 013 964)		(15 817 386)	(4 587 962)
Reserves and fund balances, beginning of period		16 904 019	267 277 124	15 482 896	(332 178)	299 331 861	253 782 419
Reserves and fund balances, end of period		**13 816 176**	**313 838 777**	**18 079 689**		**345 734 642**	**299 331 861**

The accompanying notes and schedules are an integral part of the financial statements.

Statement II
Consolidated assets, liabilities and reserves and fund balances as at 31 December 2011
(United States dollars)

	Reference	General purpose	Special purpose	Programme support	Eliminations	Total 2010-2011	Total 2008-2009
Assets							
Cash and term deposits		8 530 665	34 615 657	6 218 928		49 365 250	29 568 457
Investments in offices away from Headquarters cash pool	Note 6	29 236 499	254 932 864	14 272 561		298 441 924	245 823 540
Accounts receivable							
Voluntary contributions receivable	Schedules 2 and 3	1 414 733	133 299 211			134 713 944	128 320 263
Inter-fund balances receivable			174 439 397	11 642 068		186 081 465	102 019 387
Advances to implementing partners	Note 5		11 639 681			11 639 681	10 913 322
Other receivables		219 269	1 366 127	212 866		1 798 262	1 790 145
Other assets	Note 2	98 411	363 672	582 276		1 044 359	2 537 449
Total assets		**39 499 577**	**610 656 609**	**32 928 699**		**683 084 885**	**520 972 562**
Liabilities							
Unliquidated obligations — current period		542 539	14 709 363	390 434		15 642 336	14 137 890
Unliquidated obligations — future periods	Note 2			413 000		413 000	2 050 670
Accounts payable							
Inter-fund balances payable			183 131 606	1 509 816		184 641 422	104 747 703
Advances due to implementing partners	Note 5		1 391 375			1 391 375	1 318 558
Other payables		1 874 770	1 851 417	151 224		3 877 411	1 409 368
Deferred income	Schedules 2 and 3		87 854 289			87 854 289	72 812 285
End-of-service and post-retirement liabilities	Note 7	23 266 092	6 582 000	12 384 536		42 232 628	24 670 176
Total liabilities		**25 683 401**	**295 520 050**	**14 849 010**		**336 052 461**	**221 146 651**
Reserves and fund balances							
Reserves for allocations	Schedule 5		1 297 782			1 297 782	494 050
Fund balances		13 816 176	313 838 777	18 079 689		345 734 642	299 331 861
Total reserves and fund balances		**13 816 176**	**315 136 559**	**18 079 689**		**347 032 424**	**299 825 911**
Total liabilities and reserves and fund balances		**39 499 577**	**610 656 609**	**32 928 699**		**683 084 885**	**520 972 562**

The accompanying notes and schedules are an integral part of the financial statements.

Statement III

Fund of the United Nations Drug International Control Programme

Income and expenditure and changes in reserves and fund balances for the biennium ended 31 December 2011

(United States dollars)

	Reference	General purpose	Special purpose	Programme support	Eliminations	Total 2010-2011	Total 2008-2009
Income							
Voluntary contributions	Schedule 2	20 482 119	240 392 282			260 874 401	323 994 606
Funds received under inter-organization arrangements	Schedule 2		20 649 852			20 649 852	23 044 919
Other/miscellaneous income							
Programme support income	Schedule 5			25 438 573	(25 438 573)		
Interest income		431 102	3 773 013	292 831		4 496 946	7 714 762
Miscellaneous income[a]		319 602	69 252	96 899		485 753	893 471
Total income		**21 232 823**	**264 884 399**	**25 828 303**	**(25 438 573)**	**286 506 952**	**355 647 757**
Expenditure	Schedule 4						
Staff and other personnel costs		14 576 890	87 729 662	17 941 666		120 248 218	111 934 204
Travel		526 868	12 144 442	483 975		13 155 285	16 099 762
Contractual services		207 475	83 800 359	115 395		84 123 229	122 500 958
Operating expenses[b]		1 086 455	16 559 870	1 836 373		19 482 698	24 130 515
Acquisitions		252 488	18 773 373	1 334 179		20 360 040	25 619 463
Other		41 139	20 035 339	168 294		20 244 772	20 215 622
Programme support costs — implementing partners	Schedule 5		720 012			720 012	1 021 416
Total direct expenditure		**16 691 315**	**239 763 057**	**21 879 882**		**278 334 254**	**321 521 939**
Programme support costs — UNODC	Schedule 5		25 438 573		(25 438 573)		
Total expenditure		**16 691 315**	**265 201 630**	**21 879 882**	**(25 438 573)**	**278 334 254**	**321 521 939**
Excess (shortfall) of income over expenditure		**4 541 508**	**(317 231)**	**3 948 421**		**8 176 698**	**34 125 818**
Prior-period adjustments	Note 4	(16 073)	(6 000 511)			(6 016 584)	(2 082 575)
Net changes in provisions and reserves			379 492			379 492	1 266 335
Net excess (shortfall) of income over expenditure		**4 525 435**	**(5 938 250)**	**3 948 421**		**2 535 606**	**33 309 578**

	Reference	General purpose	Special purpose	Programme support	Eliminations	Total 2010-2011	Total 2008-2009
Transfers to (from) other funds[c]	Schedule 2	(230 576)	(3 230 615)	(2 367 393)		(5 828 584)	494 986
Refunds to donors			(1 845 837)			(1 845 837)	(781 796)
Other adjustments to reserves and fund balances	Note 8	(8 133 522)		(3 827 488)		(11 961 010)	(515 080)
Reserves and fund balances, beginning of period		14 639 780	153 187 490	11 397 010		179 224 280	146 716 591
Reserves and fund balances, end of period		**10 801 117**	**142 172 788**	**9 150 550**		**162 124 455**	**179 224 279**

[a] Includes $345,149 savings on cancellation of prior-period obligations.
[b] Includes exchange losses of $6,233,105.
[c] Includes $775,612 transfer of interest income from special-purpose to general-purpose funds and $546,188 transfer of exchange losses from special-purpose to general-purpose funds.

The accompanying notes are an integral part of the financial statements.

Statement IV

Fund of the United Nations International Drug Control Programme

Assets, liabilities and reserves and fund balances as at 31 December 2011

(United States dollars)

	Reference	General purpose	Special purpose	Programme support	Eliminations	Total 2010-2011	Total 2008-2009
Assets							
Cash and term deposits[a]		8 530 665	34 074 769	6 218 928		48 824 362	29 303 766
Investments in offices away from Headquarters cash pool[b]	Note 6	19 520 987	77 974 360	14 230 967		111 726 314	126 830 502
Accounts receivable							
Voluntary contributions receivable	Schedule 2	1 407 692	67 014 956			68 422 648	78 791 209
Inter-fund balances receivable			40 731 472			40 731 472	17 346 713
Advances to implementing partners	Note 5		7 930 501			7 930 501	9 772 165
Other receivables		166 786	1 151 540	141 080		1 459 406	1 431 367
Other assets[c]	Note 2	84 194	196 403	430 776		711 373	1 702 182
Total assets		**29 710 324**	**229 074 001**	**21 021 751**		**279 806 076**	**265 177 904**
Liabilities							
Unliquidated obligations — current period		397 541	3 850 929	269 964		4 518 434	5 441 163
Unliquidated obligations — future periods	Note 2			309 750		309 750	1 412 511
Accounts payable							
Inter-fund balances payable			37 091 647	1 509 816		38 601 463	21 604 032
Advances due to implementing partners	Note 5		1 391 375			1 391 375	1 318 558
Other payables		1 774 770	709 922			2 484 692	42 236
Deferred income	Schedule 2		40 406 824			40 406 824	38 851 958
End-of-service and post-retirement liabilities[d]	Note 7	16 736 896	3 370 565	9 781 671		29 889 132	16 823 724
Total liabilities		**18 909 207**	**86 821 262**	**11 871 201**		**117 601 670**	**85 494 182**

	Reference	General purpose	Special purpose	Programme support	Eliminations	Total 2010-2011	Total 2008-2009
Reserves and fund balances							
Reserves for allocations	Schedule 5		79 951			79 951	459 443
Fund balances		10 801 117	142 172 788	9 150 550		162 124 455	179 224 279
Total reserves and fund balances		**10 801 117**	**142 252 739**	**9 150 550**		**162 204 406**	**179 683 722**
Total liabilities and reserves and fund balances		**29 710 324**	**229 074 001**	**21 021 751**		**279 806 076**	**265 177 904**

[a] Represents interest-bearing bank deposits of $2,004,324 in UNODC headquarters bank accounts, interest-bearing deposits of $46,498,111 in UNODC field office local bank accounts, an imprest account of $25,279 maintained by ESCAP, imprest accounts and petty cash in UNODC field offices of $56,647 and cash in transit of $240,000.

[b] Represents the Drug Programme Fund share of the offices away from headquarters cash pools: the share of the United States dollar cash pool comprises cash and term deposits of $7,789,693, short-term investments of $19,575,727 (market value $19,612,849), long-term investments of $41,006,194 (market value $41,075,661) and accrued interest receivable of $167,567, and the share of the euro cash pool comprises cash and term deposits of $20,712,313 (€16,031,330), short-term investments of $5,082,701 (Euro 3,934,010), long-term investments of $17,107,856 (€13,241,480) and accrued interest receivable of $284,262 (€220,019).

[c] Includes $309,750 deferred charges for commitments against future financial periods and $401,623 deferred charges for education grant advances.

[d] Represents end-of-service liabilities of $7,979,714 (including $5,185,966 repatriation grant accruals) and accrued liabilities for after-service health insurance costs of $21,909,417 as at 31 December 2011.

The accompanying notes and schedules are an integral part of the financial statements.

Statement V

United Nations Crime Prevention and Criminal Justice Fund

Income and expenditure and changes in reserves and fund balances for the biennium ended 31 December 2011

(United States dollars)

	Reference	*General purpose*	*Special purpose*	*Programme support*	*Eliminations*	*Total* 2010-2011	*Total* 2008-2009
Income							
Voluntary contributions	Schedule 3	5 872 983	217 593 634			223 466 617	136 385 613
Funds received under inter-organization arrangements	Schedule 3		8 138 113			8 138 113	8 162 161
Other/miscellaneous income							
Programme support income	Schedule 5			14 958 070	(14 958 070)		
Interest income		74 575	3 694 545	166 570		3 935 690	5 463 051
Miscellaneous income[a]		88 599	1 466 540	63 237		1 618 376	1 261 788
Total income		**6 036 157**	**230 892 832**	**15 187 877**	**(14 958 070)**	**237 158 796**	**151 272 614**
Expenditure	Schedule 4						
Staff and other personnel costs[b]		4 190 874	66 445 578	7 006 806	(18 271)	77 624 987	62 869 617
Travel[b]		15 246	10 106 488	204 908	(8 960)	10 317 682	7 717 960
Contractual services		1 209	28 976 317	198 226		29 175 752	15 731 476
Operating expenses[b,c]		44 112	14 535 390	1 130 059	(2 604)	15 706 957	6 979 240
Acquisitions[b]			11 978 721	156 610	(1 052)	12 134 279	11 866 670
Other[b]			25 684 289	222 600		25 906 889	28 243 986
Programme support costs — implementing partners[b]	Schedule 5		963 568		(18 200)	945 368	204 412
Total direct expenditure		**4 251 441**	**158 690 351**	**8 919 209**	**(49 087)**	**171 811 914**	**133 613 361**
Programme support costs — UNODC	Schedule 5		14 958 070		(14 958 070)		
Total expenditure		**4 251 441**	**173 648 421**	**8 919 209**	**(15 007 157)**	**171 811 914**	**133 613 361**
Excess (shortfall) of income over expenditure		**1 784 716**	**57 244 411**	**6 268 668**	**49 087**	**65 346 882**	**17 659 253**
Prior-period adjustments	Note 4	(145 407)	(2 210 555)		272 451	(2 083 511)	(177 955)
Net changes in provisions and reserves			(1 183 223)			(1 183 223)	949 754
Net excess (shortfall) of income over expenditure		**1 639 309**	**53 850 633**	**6 268 668**	**321 538**	**62 080 148**	**18 431 052**
Transfers from (to) other funds[d]	Schedule 3	1 183 049	6 381 573	(238 939)		7 325 683	(494 986)
Refunds to donors			(2 057 489)		10 640	(2 046 849)	(821 430)

	Reference	General purpose	Special purpose	Programme support	Eliminations	Total 2010-2011	Total 2008-2009
Other adjustments to reserves and fund balances	Note 8	(2 071 538)	(598 362)	(1 186 476)		(3 856 376)	(4 072 882)
Reserves and fund balances, beginning of period		2 264 239	114 089 634	4 085 886	(332 178)	120 107 581	107 065 827
Reserves and fund balances, end of period		**3 015 059**	**171 665 989**	**8 929 139**		**183 610 187**	**120 107 581**

[a] Includes $709,334 savings on or cancellation of prior-period obligations and $813,990 income for services rendered.
[b] Includes eliminations for internal transactions between the Crime Programme Funds for UNODC and the Crime Programme Fund sub-account for UNICRI.
[c] Includes exchange losses of $4,500,883.
[d] Includes $2,062,324 transfer of interest income from special-purpose to general-purpose funds and $536,187 transfer of exchange losses from special-purpose to general-purpose funds.

The accompanying notes are an integral part of the financial statements.

Statement VI
United Nations Crime Prevention and Criminal Justice Fund

Assets, liabilities and reserves and fund balances as at 31 December 2011
(United States dollars)

	Reference	General purpose	Special purpose	Programme support	Eliminations	Total 2010-2011	Total 2008-2009
Assets							
Cash and term deposits[a]			540 888			540 888	264 690
Investments in offices away from Headquarters cash pool[b]	Note 6	9 715 512	176 958 504	41 594		186 715 610	118 993 038
Accounts receivable							
Voluntary contributions receivable	Schedule 3	7 041	66 284 255			66 291 296	49 529 053
Inter-fund balances receivable[c]			133 707 925	11 642 068		145 349 993	84 672 675
Advances to implementing partners	Note 5		3 709 180			3 709 180	1 141 157
Other receivables		52 483	214 587	71 786		338 856	358 778
Other assets[d]	Note 2	14 217	167 269	151 500		332 986	835 266
Total assets		**9 789 253**	**381 582 608**	**11 906 948**		**403 278 809**	**255 794 658**
Liabilities							
Unliquidated obligations — current period		144 998	10 858 434	120 470		11 123 902	8 696 727
Unliquidated obligations — future periods	Note 2			103 250		103 250	638 159
Accounts payable							
Inter-fund balances payable			146 039 959			146 039 959	83 143 671
Advances due to implementing partners							
Other payables		100 000	1 141 495	151 224		1 392 719	1 367 132
Deferred income	Schedule 3		47 447 465			47 447 465	33 960 327
End-of-service and post-retirement liabilities[e]	Note 7	6 529 196	3 211 435	2 602 865		12 343 496	7 846 452
Total liabilities		**6 774 194**	**208 698 788**	**2 977 809**		**218 450 791**	**135 652 468**
Reserves and fund balances							
Reserves for allocations			1 217 831			1 217 831	34 607

	Reference	General purpose	Special purpose	Programme support	Eliminations	Total 2010-2011	Total 2008-2009
Fund balances		3 015 059	171 665 989	8 929 139		183 610 187	120 107 581
Total reserves and fund balances		**3 015 059**	**172 883 820**	**8 929 139**		**184 828 018**	**120 142 189**
Total liabilities, reserves and fund balances		**9 789 253**	**381 582 608**	**11 906 948**		**403 278 809**	**255 794 658**

[a] Represents interest-bearing bank deposits of $459,278 in United Nations Office at Vienna and UNICRI call accounts, interest-bearing deposits of $52,710 in the UNICRI euro local bank account, interest-bearing deposits of $26,900 in the UNICRI United States dollar local bank account and $2,000 petty cash in UNODC field offices.

[b] Represents the Crime Programme Fund share of the offices away from headquarters cash pools: the share of the United States dollar cash pool comprises cash and term deposits of $12,934,079, short-term investments of $32,503,718 (market value $32,565,356), long-term investments of $68,087,065 (market value $68,202,408) and accrued interest receivable of $278,229, and the share of the euro cash pool comprises cash and term deposits of $34,968,447 (€27,065,578), short-term investments of $8,581,087 (€6,641,761), long-term investments of $28,883,067 (€22,355,494) and accrued interest receivable of $479,918 (€371,457).

[c] Includes eliminations for internal transactions between Crime Programme Funds for UNODC and the Crime Programme Fund sub-account for UNICRI.

[d] Includes $103,250 deferred charges for commitments against future financial periods and $229,736 deferred charges for education grant advances.

[e] Represents end-of-service liabilities of $4,074,913 (including $2,151,977 repatriation grant accruals) and accrued liabilities for after-service health insurance costs of $8,268,583 as at 31 December 2011.

The accompanying notes and schedules are an integral part of the financial statements.

Statement VII

Consolidated cash flows for the biennium ended 31 December 2011

(United States dollars)

	Drug Programme Fund			*Crime Programme Fund*			*Total*			
	General purpose	*Special purpose*	*Programme support*	*General purpose*	*Special purpose*	*Programme support*	*General purpose*	*Special purpose*	*Programme support*	*Total 2010-2011*
Cash flows from operating activities										
Excess (shortfall) of income over expenditure	4 541 508	(317 231)	3 948 421	1 784 716	57 244 411	6 268 668	6 326 224	56 927 180	10 217 089	73 470 493
(Increase) decrease in voluntary contributions receivable	(1 190 424)	11 558 985		7 394	(16 769 637)		(1 183 030)	(5 210 652)	–	(6 393 682)
(Increase) decrease in inter-fund balances receivable	7 961 077	(31 345 836)			(54 488 838)	(6 188 480)	7 961 077	(85 834 674)	(6 188 480)	(84 062 077)
(Increase) decrease in advances to implementing partners		1 841 664			(2 235 846)		–	(394 182)	–	(394 182)
(Increase) decrease in other receivables	(39 550)	(34 176)	45 688	(52 483)	113 499	(41 093)	(92 033)	79 323	4 595	(8 115)
(Increase) decrease in other assets	(22 415)	1 387 790	(374 566)	68 688	585 092	(151 500)	46 273	1 972 882	(526 066)	1 493 089
Increase (decrease) in unliquidated obligations — current period	(133 312)	(727 454)	(61 960)	2 698	2 381 572	42 903	(130 614)	1 654 118	(19 057)	1 504 447
Increase (decrease) in unliquidated obligations — future periods		(1 412 511)	309 750		(638 159)	103 250	–	(2 050 670)	413 000	(1 637 670)
Increase (decrease) in inter-fund balances payable		37 091 647	(20 094 217)		62 896 288		–	99 987 935	(20 094 217)	79 893 718
Increase (decrease) in advances due to implementing partners		72 817					–	72 817	–	72 817
Increase (decrease) in other payables	1 760 201	682 255		100 000	(156 622)	82 209	1 860 201	525 633	82 209	2 468 043
Increase (decrease) in deferred income	(50 000)	1 604 866			13 487 138		(50 000)	15 092 004	–	15 042 004

	Drug Programme Fund			*Crime Programme Fund*			*Total*			
	General purpose	*Special purpose*	*Programme support*	*General purpose*	*Special purpose*	*Programme support*	*General purpose*	*Special purpose*	*Programme support*	*Total 2010-2011*
Increase (decrease) in end-of-service and post-retirement liabilities	8 188 161	822 788	4 054 459	2 161 944	1 036 824	1 298 278	10 350 105	1 859 612	5 352 737	17 562 454
Net cash flows from operating activities	**21 015 246**	**21 225 604**	**(12 172 425)**	**4 072 957**	**63 455 722**	**1 414 235**	**25 088 203**	**84 681 326**	**(10 758 190)**	**99 011 339**
Cash flows from investing activities										
(Increase) decrease in investments in offices away from Headquarters cash pool	(6 997 841)	4 801 127	17 300 901	(3 039 060)	(64 694 692)	11 180	(10 036 901)	(59 893 565)	17 312 081	(52 618 385)
Net cash flows from investing activities	**(6 997 841)**	**4 801 127**	**17 300 901**	**(3 039 060)**	**(64 694 692)**	**11 180**	**(10 036 901)**	**(59 893 565)**	**17 312 081**	**(52 618 385)**
Cash flows from financing activities										
Net changes in provisions		379 492			(1 183 223)			(803 731)		(803 731)
Transfers from (to) other funds	(230 576)	(3 230 615)	(2 367 393)	1 183 049	6 381 573	(238 939)	952 473	3 150 958	(2 606 332)	1 497 099
Refunds to donors		(1 845 837)			(2 057 489)			(3 903 326)		(3 903 326)
Other adjustments in reserves and fund balances	(8 149 595)	(6 000 511)	(3 827 488)	(2 216 946)	(2 808 917)	(1 186 476)	(10 366 541)	(8 809 428)	(5 013 964)	(24 189 933)
Changes in reserves for allocations		(379 492)			1 183 224			803 732		803 732
Net cash flows from financing activities	**(8 380 171)**	**(11 076 963)**	**(6 194 881)**	**(1 033 897)**	**1 515 168**	**(1 425 415)**	**(9 414 068)**	**(9 561 795)**	**(7 620 296)**	**(26 596 159)**
Net increase (decrease) in cash	**5 637 234**	**14 949 768**	**(1 066 405)**		**276 198**		**5 637 234**	**15 225 966**	**(1 066 405)**	**19 796 795**
Cash and term deposits, beginning of period	2 893 431	19 125 001	7 285 333		264 690		2 893 431	19 389 691	7 285 333	29 568 455
Cash and term deposits, end of period	**8 530 665**	**34 074 769**	**6 218 928**		**540 888**		**8 530 665**	**34 615 657**	**6 218 928**	**49 365 250**

The accompanying notes and schedules are an integral part of the financial statements.

Schedule 1
Consolidated summary and ageing schedules of pledges and contributions as at 31 December 2011

(United States dollars)

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose (b)	Income from pledges for 2010-2011: Special purpose (c)	Income from pledges for 2010-2011: Total (d) = (b+c)	Pledges for future years (e)	Adjustments (f)	Collections (g)	Revaluation (losses) gains (h)	Unpaid pledges as at 31 December 2011 (i) = (a+d+e+f-g+h)
A. Voluntary contributions from Member States									
Drug Programme	43 694 136	20 478 778	127 534 969	148 013 746	16 396 523	(18 464 514)	154 814 454	(451 797)	34 373 638
Crime Programme	38 002 244	5 344 267	150 492 305	155 836 573	18 227 715	(18 748 697)	145 766 997	330 763	47 881 601
Subtotal, A	**81 696 380**	**25 823 045**	**278 027 274**	**303 850 319**	**34 624 238**	**(37 213 210)**	**300 581 451**	**(121 034)**	**82 255 240**
B. Voluntary cost-sharing contributions from Member States									
Drug Programme	16 013 037	–	89 905 072	89 905 072	1 721 862	(9 236 652)	94 863 923	(27 297)	3 512 101
Crime Programme	3 271 037	20 000	5 656 741	5 676 741	4 558 759	(2 115 097)	5 697 254	32 347	5 726 533
Subtotal, B	**19 284 074**	**20 000**	**95 561 813**	**95 581 813**	**6 280 621**	**(11 351 749)**	**100 561 176**	**5 050**	**9 238 634**
C. Voluntary contributions from other Government organizations									
Drug Programme	6 954 367	–	21 097 184	21 097 184	10 109 664	(1 224 872)	20 920 799	(995)	16 014 550
Crime Programme	577 055	507 099	44 331 700	44 838 799	16 381 876	258 179	58 453 511	615 929	4 218 327
Subtotal, C	**7 531 422**	**507 099**	**65 428 884**	**65 935 983**	**26 491 540**	**(966 693)**	**79 374 310**	**614 934**	**20 232 877**
D. Voluntary contributions from public donations									
Drug Programme	1 690 142	3 341	1 855 058	1 858 399	437 615	(690 446)	1 431 361	(13 219)	1 851 131
Crime Programme	1 359 168	1 616	4 963 709	4 965 325	7 088 460	(1 224 099)	5 559 457	(88 920)	6 540 478
Subtotal, D	**3 049 310**	**4 958**	**6 818 767**	**6 823 724**	**7 526 076**	**(1 914 545)**	**6 990 818**	**(102 139)**	**8 391 608**
E. Voluntary contributions from Member States for the Trust Fund to Support Initiatives of States Countering Piracy off the Coast of Somalia									
Drug Programme	–	–	–	–	–	–	–	–	–
Crime Programme	–	–	11 685 771	11 685 771	–	150 602	11 836 373	–	–
Subtotal, E	**–**	**–**	**11 685 771**	**11 685 771**	**–**	**150 602**	**11 836 373**	**–**	**–**

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose (b)	Special purpose (c)	Total (d) = (b+c)	Pledges for future years (e)	Adjustments (f)	Collections (g)	Revaluation (losses) gains (h)	Unpaid pledges as at 31 December 2011 (i) = (a+d+e+f-g+h)
F. Voluntary contributions from Member States for the United Nations Voluntary Trust Fund for Victims of Trafficking in Persons, Especially Women and Children									
Drug Programme	–	–	–	–	–	–	–	–	–
Crime Programme	–	–	463 408	463 408	–	–	463 408	–	–
Subtotal, F	**–**	**–**	**463 408**	**463 408**	**–**	**–**	**463 408**	**–**	**–**
Total voluntary contributions									
Drug Programme	68 351 682	20 482 119	240 392 282	260 874 401	28 665 665	(29 616 485)	272 030 536	(493 307)	55 751 420
Crime Programme	43 209 504	5 872 983	217 593 634	223 466 618	46 256 810	(21 679 111)	227 777 001	890 119	64 366 939
Total, A-F	**111 561 186**	**26 355 102**	**457 985 916**	**484 341 018**	**74 922 474**	**(51 295 595)**	**499 807 536**	**396 812**	**120 118 359**
G. Funds received under inter-organization arrangements									
Drug Programme	10 439 527	–	20 649 852	20 649 852	11 741 159	(16 617 378)	13 398 191	(143 741)	12 671 228
Crime Programme	6 319 549	–	8 138 113	8 138 113	1 190 655	(6 916 284)	6 807 240	(437)	1 924 357
Subtotal, G	**16 759 076**	**–**	**28 787 965**	**28 787 965**	**12 931 814**	**(23 533 662)**	**20 205 430**	**(144 177)**	**14 595 585**
Totals									
Drug Programme	78 791 209	20 482 119	261 042 134	281 524 253	40 406 824	(46 233 862)	285 428 726	(637 048)	68 422 648
Crime Programme	49 529 053	5 872 983	225 731 747	231 604 731	47 447 465	(28 595 395)	234 584 240	889 683	66 291 296
Total, A-G	**128 320 263**	**26 355 102**	**486 773 881**	**513 128 983**	**87 854 288**	**(74 829 257)**	**520 012 966**	**252 634**	**134 713 944**

Ageing of unpaid pledges as at 31 December 2011	*0-6 months*	*7-12 months*	*13-24 months*	*> 24 months*	*Total*
A. Voluntary contributions from Member States					
Drug Programme	24 549 902	2 299 951	5 049 926	2 473 859	34 373 638
Crime Programme	17 455 427	14 210 235	6 559 115	9 654 825	47 879 601
B. Voluntary cost-sharing contributions from Member States					
Drug Programme	1 112 906	629 653	266 704	1 502 838	3 512 101
Crime Programme	3 392 706	741 319	1 594 509	–	5 728 533
C. Voluntary contributions from other Government organizations					
Drug Programme	12 235 345	2 515 776	1 000 000	263 429	16 014 550
Crime Programme	1 291 990	908 174	2 018 163	–	4 218 327
D. Voluntary contributions from public donations					
Drug Programme	437 615	413 819	–	999 696	1 851 131
Crime Programme	4 096 899	1 824 650	90 439	528 489	6 540 478
E. Voluntary contributions from Member States for the Trust Fund to Support Initiatives of States Countering Piracy off the Coast of Somalia					
Drug Programme	–	–	–	–	–
Crime Programme	–	–	–	–	–
F. Voluntary Contributions from Member States for the United Nations Voluntary Trust Fund for Victims of Trafficking in Persons, Especially Women and Children					
Drug Programme	–	–	–	–	–
Crime Programme	–	–	–	–	–
Total voluntary contributions					
Drug Programme	38 335 768	5 859 199	6 316 630	5 239 822	55 751 420
Crime Programme	26 237 021	17 684 377	10 262 226	10 183 315	64 366 939
Total, A-F	**64 572 789**	**23 543 576**	**16 578 857**	**15 423 137**	**120 118 359**
G. Funds received under inter-organization arrangements					
Drug Programme	11 760 059	80 488	53 437	777 244	12 671 228
Crime Programme	11 358	–	1 493 773	419 226	1 924 357
Totals					
Drug Programme	50 095 827	5 939 687	6 370 068	6 017 066	68 422 648
Crime Programme	26 248 379	17 684 377	11 755 999	10 602 541	66 291 296
Total, A-G	**76 344 206**	**23 624 064**	**18 126 067**	**16 619 607**	**134 713 944**

Schedule 2

Fund of the United Nations International Drug Control Programme

Schedule of contributions and pledges as at 31 December 2011

(United States dollars)

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose	Special purpose	Total 2010-2011 (b)	Pledges for future years (c)	Adjustments (d)	Collections (e)	Revaluation (losses) gains (f)	Unpaid pledges as at 31 December 2011 (g) = (a+b+c+d+e+f)
A. Voluntary contributions from Member States									
Algeria	10 000	–	–	–	–	(10 000)[a]	–	–	–
Australia	2 629 284	449 640	3 228 902	3 678 542	1 655 152		5 450 380	376 719	2 889 317
Austria	–	141 253	652 673	793 926	27 360	–	764 361	(31 085)	25 840
Bangladesh	1 000	1 000	–	1 000	–	–	2 000	–	–
Belgium	137 085	74 932	409 553	484 485	86 811	(64 935)[a]	549 311	(10 016)	84 119
Brazil	–	–	123 494	123 494	–	–	123 494	–	–
Cambodia	–	–	9 000	9 000	–	–	9 000	–	–
Cameroon	–	2 257	–	2 257	–	–	2 257	–	–
Canada	12 179 279	–	18 062 299	18 062 299	158 494	(7 612 326)[b,c,d]	17 633 831	98 990	5 252 905
China (including Hong Kong)	–	227 925	250 000	477 925	–	–	477 905	(20)	–
Colombia	–	80 000	–	80 000	–	(80 000)[c]	–	–	–
Czech Republic	–	–	–	–	–	98 559[d]	98 559	–	–
Denmark	462 000	–	3 948 497	3 948 497	628 752	(100 000)[b]	4 190 684	(53 518)	695 048
Ecuador	–	–	30 000	30 000	–	–	30 000	–	–
Estonia	–	5 000	–	5 000	–	–	4 975	(25)	–
Finland	288 600	1 610 501	3 205 179	4 815 680	1 897 205	–	5 374 308	375 407	2 002 584
France	36 075	678 607	4 388 190	5 066 797	57 061	(514 986)[c,d]	4 220 153	(39 135)	385 659
Germany	2 135 642	2 296 471	8 537 384	10 833 856	3 845 192	(2 129 496)[c,d]	10 454 908	(144 884)	4 085 401
India	81 681	100 000	600 000	700 000	–	–	782 745	1 064	–
Ireland	–	–	167 840	167 840	–	–	163 041	(4 799)	–
Italy	1 101 900	–	1 951 148	1 951 148	432 381	(240 000)[b]	1 527 427	14 673	1 732 675
Japan	–	1 804 781	10 376 353	12 181 134	–	(1 400 000)[c]	10 781 134	–	–
Kazakhstan	25 000	49 975	300 000	349 975	–	–	347 184	(2 791)	25 000

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose	Income from pledges for 2010-2011: Special purpose	Income from pledges for 2010-2011: Total 2010-2011 (b)	Pledges for future years (c)	Adjustments (d)	Collections (e)	Revaluation (losses) gains (f)	Unpaid pledges as at 31 December 2011 (g) = (a+b+c+d+e+f)
Kuwait	5 000	5 000	–	5 000	–	–	5 000	–	5 000
Laos	2 000	–	1 000	1 000	–	–	3 000	–	–
Libya	–	–	300 000	300 000	–	–	299 810	(190)	–
Liechtenstein	–	54 230	5 000	59 230	–	–	59 238	8	–
Luxembourg	800 900	275 798	1 231 000	1 506 798	560 000	–	1 711 615	(5 083)	1 151 000
Madagascar	1 000	1 000	–	1 000	–		1 000	–	1 000
Mexico	–	–	300 000	300 000	–	–	300 000	–	–
Morocco	–	3 000	–	3 000	–	–	3 000	–	–
Myanmar	–	–	10 000	10 000	–	–	10 238	238	–
Nepal	–	–	20 000	20 000	–	–	20 000	–	–
Netherlands	6 628 788	–	3 289 474	3 289 474	–	(3 289 474)[b]	5 594 747	(958 201)	75 840
New Zealand	–	–	152 755	152 755	–	–	147 721	(5 034)	–
Nigeria	123 550	–	–	–	–	(123 550)[a]	–	–	–
Norway	1 438 475	726 485	4 788 910	5 515 395	1 511 081	(1 417 350)[b]	5 188 204	1 068	1 860 465
Pakistan	–	2 000	–	2 000	–	–	1 981	(19)	–
Panama	–	6 000		6 000	–	–	6 000	–	–
Poland	–	–	95 617	95 617	–	–	95 617	–	(0)
Republic of Korea	–	200 000	190 000	390 000	–	–	390 000	–	–
Russian Federation	–	7 000 000	1 984 528	8 984 528	400 000		8 984 528	–	400 000
Saudi Arabia	–	100 000	–	100 000	–	(50 000)[b]	50 000	–	–
Singapore	5 000	10 000	–	10 000	–	–	15 000	–	–
Slovenia	–	12 330	–	12 330	–	–	12 330	–	–
South Africa	3 333	–	365 259	365 259	–	–	366 128	585	3 049
Spain	–	76 000	1 121 365	1 197 365	–	–	616 780	(12 109)	568 475
Sweden	1 255 230	1 380 276	9 865 422	11 245 699	3 915 247	(1 412 873)[b]	11 272 552	(45 247)	3 685 504
Switzerland	28 860	–	830 202	830 202	667 000	(33 591)[b]	809 050	(16 422)	667 000
Thailand	–	40 000	60 000	100 000	–	–	100 000	–	–
Tunisia	–	1 316	–	1 316	–	–	1 316	–	–
Turkey	–	400 000	700 000	1 100 000	–	–	1 100 000	–	–

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011			Pledges for future years (c)	Adjustments (d)	Collections (e)	Revaluation (losses) gains (f)	Unpaid pledges as at 31 December 2011 (g) = (a+b+c+d+e+f)
		General purpose	Special purpose	Total 2010-2011 (b)					
United Arab Emirates	–	10 000	4 106 734	4 116 734	–	–	2 903 014	(50)	1 213 670
United Kingdom of Great Britain and Northern Ireland	800 726	–	6 163 055	6 163 055	554 788	(43 493)[e]	5 813 759	7 271	1 668 588
United States of America	13 513 725	2 653 000	35 699 136	38 352 136	–	(41 000)[e]	45 930 166	806	5 895 501
Viet Nam	–	–	15 000	15 000	–	–	15 000	–	–
Subtotal, A	**43 694 134**	**20 478 778**	**127 534 969**	**148 013 746**	**16 396 523**	**(18 464 514)**	**154 814 454**	**(451 797)**	**34 373 638**
B. Voluntary cost-sharing contributions from Member States									
Bolivia (Plurinational State of)	400 656	–	648 536	648 536	–	(220 562)[e]	831 811	3 181	–
Brazil	9 641 682	–	15 405 776	15 405 776	971 862	(4 862 802)[a,b]	20 026 395	149 059	1 279 182
Colombia	1 370 399	–	71 714 778	71 714 778	–	(220 638)[e]	71 914 817	(190 459)	759 263
Ecuador	–	–	40 000	40 000	–	–	40 000	–	–
Mexico	–	–	615 000	615 000	–	–	615 000	–	–
Peru	417 652	–	980 982	980 982	–	–	1 185 900	10 922	223 656
Qatar	4 182 650	–	500 000	500 000	750 000	(3 932 650)[a,b,c]	250 000	–	1 250 000
Subtotal, B	**16 013 039**	**–**	**89 905 072**	**89 905 072**	**1 721 862**	**(9 236 652)**	**94 863 923**	**(27 297)**	**3 512 101**
C. Voluntary contributions from other Government organizations									
European Commission	–	–	6 902 587	6 902 587	–		6 902 587	–	–
Inter-American Development Bank	1 185 161	–	–	–	–	–	966 416	–	218 746
IOM	11 647	–	–	–	–	–	–	(1 219)	10 428
NATO Russian Council	–	–	1 455 220	1 455 220	–	–	1 455 220	–	–
Organization of American States	–	–	50 000	50 000	–	–	50 229	229	–
OPEC	2 000 000	–	4 500 000	4 500 000	1 500 000	(1 000 000)[b]	3 000 000	–	4 000 000

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose	Income from pledges for 2010-2011: Special purpose	Income from pledges for 2010-2011: Total 2010-2011 (b)	Pledges for future years (c)	Adjustments (d)	Collections (e)	Revaluation (losses) gains (f)	Unpaid pledges as at 31 December 2011 (g) = (a+b+c+d+e+f)
USAID	3 161 744	–	7 890 336	7 890 336	8 609 664	–	7 876 363	(5)	11 785 376
World Bank	595 816	–	299 041	299 041	–	(224 873)[a]	669 984	–	–
Subtotal, C	**6 954 368**	**–**	**21 097 184**	**21 097 184**	**10 109 664**	**(1 224 873)**	**20 920 799**	**(995)**	**16 014 550**
D. Voluntary contributions from public donation									
Aids-Life-Verien Austria	–	–	290 698	290 698	–	–	290 698	(0)	–
COPARMEX, Nuevo Leon	999 696	–	–	–	–	–	–	–	999 696
DAPC	–	–	395 672	395 672	–	–	385 462	(10 210)	–
Drosos Foundation	690 446	–	600 000	600 000	90 446	(690 446)[b]	300 000	–	390 446
Foundation Open Society Institute	–	–	16 950	16 950	–	–	16 950	–	–
Tata Institute of Social Science	–	–	25 985	25 985	–	–	27 268	1 283	–
The Global Fund	–	–	475 248	475 248	347 169	–	361 429	–	460 989
Veolia Foundation	–	–	50 505	50 505	–	–	46 213	(4 292)	–
Other donors	–	3 341	–	3 341	–	–	3 341	–	–
Subtotal, D	**1 690 142**	**3 341**	**1 855 058**	**1 858 399**	**437 615**	**(690 446)**	**1 431 361**	**(13 219)**	**1 851 131**
Total voluntary contributions									
Total, A-D	**68 351 683**	**20 482 119**	**240 392 282**	**260 874 401**	**28 665 665**	**(29 616 485)**	**272 030 536**	**(493 308)**	**55 751 420**
E. Funds received under inter-organizational arrangements									
Mine Action Service	348 150	–	464 200	464 200	–	(232 100)[b]	573 762	–	6 488
One UN — Cape Verde	–	–	55 000	55 000	–	–	55 000	–	–
One UN — Mozambique	–	–	50 000	50 000	–	–	50 000	–	–
One UN — Pakistan	–	–	118 800	118 800	–	–	118 800	–	–
One UN — Viet Nam	156 100	–	1 450 214	1 450 214	–	(575 480)[b]	1 011 934	–	18 900
One UN — Uruguay	–	–	65 563	65 563	–	–	65 563	–	–
UNAIDS	7 234 938	–	14 736 536	14 736 536	11 576 359	(14 290 197)[b]	7 498 598	(109 692)	11 649 347

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011			Pledges for future years (c)	Adjustments (d)	Collections (e)	Revaluation (losses) gains (f)	Unpaid pledges as at 31 December 2011 (g) = (a+b+c+d+e+f)
		General purpose	Special purpose	Total 2010-2011 (b)					
UNDP	2 050 897	–	1 478 751	1 478 751	–	(289 774)[a,b]	2 383 175	(26 018)	830 681
UNDP — Spain MDG Fund	535 977	–	707 988	707 988	164 800	(872 788)[b]	370 165	–	165 812
UNOPS	113 464	–	1 325 568	1 325 568	–	(357 040)[b]	1 081 992	–	–
WHO	–	–	197 232	197 232	–	–	189 201	(8 031)	–
Total, inter-organizational arrangements	**10 439 526**	**–**	**20 649 852**	**20 649 852**	**11 741 159**	**(16 617 378)**	**13 398 191**	**(143 741)**	**12 671 228**
Grand total, A-E	**78 791 209**	**20 482 119**	**261 042 134**	**281 524 253**	**40 406 824**	**(46 233 863)**	**285 428 726**	**(637 049)**	**68 422 648**

[a] Pledges written off.
[b] Pledges made in 2008-2009 for 2010 and beyond included in outstanding pledges as at 1 January 2010.
[c] Transfer to the Crime Programme Fund.
[d] Transfer from the Crime Programme Fund.

Schedule 3

United Nations Crime Prevention and Criminal Justice Fund

Schedule of pledges and contributions as at 31 December 2011

(United States dollars)

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose (b)	Income from pledges for 2010-2011: Special purpose (c)	Income from pledges for 2010-2011: Total 2010-2011 (d) = (b+c)	Pledges for future years (e)	Adjustments (f)	Collections (g)	Revaluation (losses) gains (h)	Unpaid pledges as at 31 December 2011 (i) = (a+d+e+f-g+h)
A. Voluntary contributions from Member States									
Australia	8 235 932	–	6 783 635	6 783 635	5 605 444	(6 226 314)[a]	6 237 905	805 358	8 966 150
Austria	28 860	210 698	2 155 096	2 365 794	334 513	41 169[a,b,c]	2 330 689	(37 987)	401 660
Belgium	483 048	–	689 491	689 491	–	(204 984)[a,c]	962 841	37 276	41 990
Canada	7 131 400	–	25 407 990	25 407 990	6 400 000	(4 172 678)[a,b,c]	23 887 194	(160 523)	10 718 995
Cape Verde	2 235 699	–	–	–	–	–	1 223 895	(181 787)	830 017
Chile	–	20 000	2 000	22 000	–	–	22 000	–	–
Colombia	–	–	–	–	–	80 000[b]	80 000	–	–
Croatia	–	5 000	–	5 000	–	–	5 000	–	–
Cyprus	–	–	13 717	13 717	–	–	13 643	(75)	–
Czech Republic	–	–	–	–	–	(80 684)[b]	(80 684)	–	–
Denmark	3 145 631	1 855 498	6 179 498	8 034 995	75 000	(3 184 604)[a]	6 790 750	(335 224)	945 048
Egypt	–	–	11 873	11 873	–	–	–	–	11 873
Finland	721 501	–	1 012 878	1 012 878	–	(894 472)[a,c]	309 209	(64 290)	466 408
France	–	142 653	2 130 830	2 273 484	–	1 186 052[b]	3 351 925	(8 773)	98 837
Germany	165 891	–	5 181 193	5 181 193	359 430	(17 152)[a,c]	5 207 467	(95 565)	386 330
Hungary	28 860	–	52 562	52 562	–	(27 027)[c]	52 562	(1 832)	–
India	–	91 000	–	91 000	–	–	88 000	–	3 000
Iran (Islamic Republic of)	–	–	105 090	105 090	–	–	20 000	–	85 090
Ireland	–	111 894	–	111 894	–	–	108 694	(3 200)	–
Israel	–	–	45 000	45 000	–	–	45 000	–	–
Italy	253 685	–	5 674 119	5 674 119	–	(502 090)[a,b]	5 248 776	(21 808)	155 130
Japan	110 000	652 177	5 832 456	6 484 633	–	1 400 000[b]	7 994 633	–	–
Libya	3 864 955	–	3 000 000	3 000 000	–	(3 000 000)[a]	821 100	–	3 043 855

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose (b)	Income from pledges for 2010-2011: Special purpose (c)	Income from pledges for 2010-2011: Total 2010-2011 (d) = (b+c)	Pledges for future years (e)	Adjustments (f)	Collections (g)	Revaluation (losses) gains (h)	Unpaid pledges as at 31 December 2011 (i) = (a+d+e+f-g+h)
Liechtenstein	–	46 125	159 703	205 829	–	–	96 188	(3 820)	105 820
Luxembourg	500 000	–	1 670 444	1 670 444	–	(500 000)[c]	1 012 885	91 727	749 286
Madagascar	1 000	1 000	–	1 000	–	–	1 000	–	1 000
Mexico	–	–	1 477 671	1 477 671	447 761	–	1 471 431	(16 046)	437 956
Monaco	160 000	–	265 634	265 634	421 606	(160 000)[c]	266 990	(33 505)	386 744
Morocco	–	10 000	–	10 000	–	–	10 000	–	–
Netherlands	3 260 884	–	9 057 216	9 057 216	1 300 000	(2 492 653)[a,b]	6 735 255	1 974	4 092 165
New Zealand	–	–	305 692	305 692	33 222	–	341 388	2 473	–
Nigeria	–	–	130 039	130 039	65 020	–	65 020	(7 302)	122 737
Norway	1 859 099	726 485	14 346 354	15 072 838	850 999	(1 805 609)[c]	15 037 011	56 362	996 678
Panama	–	–	1 929 179	1 929 179	727 518	–	1 349 002	–	1 307 695
Portugal	144 300	–	52 700	52 700	52 701	(105 401)[c]	–	(15 101)	129 199
Qatar	–	–	–	–	–	200 000[b]	200 000	–	–
Republic of Korea	450 000	60 000	270 000	330 000	220 000	(450 000)[c]	330 000	–	220 000
Romania	–	–	122 100	122 100	–	–	123 305	1 204	–
Russian Federation	–	–	515 472	515 472	–	–	515 472	–	–
Spain	–	–	322 468	322 468	–	–	343 096	20 628	–
Sweden	–	1 380 276	6 013 081	7 393 357	–	2 760 501[b]	10 618 509	464 650	–
Switzerland	350 000	–	1 006 312	1 006 312	–	(633 160)[c]	717 428	(5 724)	–
Tunisia	3 435	1 462	–	1 462	–	–	1 457	(399)	3 041
Turkey	–	–	365 000	365 000	–	–	365 000	–	–
United Arab Emirates	1 370 000	30 000	427 438	457 438	–	–	1 827 438	–	–
United Kingdom of Great Britain and Northern Ireland	203 312	–	16 961 827	16 961 827	760 486	40 409[a,b,c]	14 765 072	(157 895)	3 043 066
United States of America	3 292 751	–	30 816 547	30 816 547	874 016	–	24 853 452	(30)	10 129 831
Venezuela (Bolivarian Republic of)	–	–	–	–	–	–	–	–	–
Subtotal, A	**38 000 244**	**5 344 267**	**150 492 305**	**155 836 573**	**18 227 715**	**(18 748 697)**	**145 766 997**	**330 763**	**47 879 601**

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose (b)	Special purpose (c)	Total 2010-2011 (d) = (b+c)	Pledges for future years (e)	Adjustments (f)	Collections (g)	Revaluation (losses) gains (h)	Unpaid pledges as at 31 December 2011 (i) = (a+d+e+f-g+h)
B. Voluntary cost-sharing contributions from Member States									
Brazil	3 115 039	–	3 556 184	3 556 184	4 558 759	(1 945 108)[c,d]	3 590 923	17 627	5 711 578
Colombia	157 997	20 000	2 100 558	2 120 558	–	(169 989)[c]	2 106 330	14 720	16 956
Subtotal, B	**3 273 037**	**20 000**	**5 656 741**	**5 676 741**	**4 558 759**	**(2 115 097)**	**5 697 254**	**32 347**	**5 728 533**
C. Voluntary contributions from other Government organizations									
Agroinnova	–	–	–	–	79 850	–	79 850	–	–
AusAID	–	507 099	4 151 583	4 658 682	2 606 645	170 866[b]	5 194 038	684 182	2 926 337
Bureau of Public Procurement Nigeria	–	–	1 619 723	1 619 723	–	–	1 619 723	–	–
Council of Europe	–	–	171 418	171 418	–	–	171 418	–	–
European Commission	–	–	32 425 881	32 425 881	12 323 639	87 313[b]	44 856 384	19 551	–
Financial Intelligence Agency — Bermuda	–	–	100 000	100 000	–	–	100 000	–	–
Financial Intelligence Centre — Kosovo	–	–	113 189	113 189	–	–	113 189	–	–
Financial Intelligence Centre — Namibia	–	–	200 000	200 000	–	–	200 000	–	–
Financial Intelligence Centre — South Africa	–	–	199 940	199 940	–	–	199 940	–	–
Financial Intelligence Unit — United Republic of Tanzania	–	–	99 975	99 975	–	–	100 339	364	–
Financial Monitoring Service — Azerbaijan	–	–	230 000	230 000	–	–	230 000	–	–
Fondazione per il Notariato	–	–	23 320	23 320	–	–	23 320	–	–
Fundacio Privada Clinic per la ricerca biomedica	–	–	63 338	63 338	–	–	63 338	–	–
HEUNI	–	–	75 164	75 164	–	–	75 164	–	–
Indian Ocean Commission	4 329	–	–	–	–	–	4 121	(208)	–

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose (b)	Income from pledges for 2010-2011: Special purpose (c)	Income from pledges for 2010-2011: Total 2010-2011 (d) = (b+c)	Pledges for future years (e)	Adjustments (f)	Collections (g)	Revaluation (losses) gains (h)	Unpaid pledges as at 31 December 2011 (i) = (a+d+e+f-g+h)
IOM	–	–	87 117	87 117	–	–	87 117	–	–
Korps Landelijke Politiensten	–	–	739 433	739 433	–	–	739 433	–	–
Ministry of Finance — Mozambique	–	–	287 824	287 824	–	–	287 824	–	–
NANO 4 U GMBH	–	–	180 290	180 290	–	–	180 290	–	–
National Bureau of Investigation — Finland	–	–	173 797	173 797	–	–	173 797	–	–
Organization of American States	–	–	291 857	291 857	–	–	291 857	–	–
OSCE	–	–	411 102	411 102	–	–	410 905	(197)	–
Palestine Monetary Authority	–	–	99 973	99 973	–	–	99 973	–	–
PCCB United Republic of Tanzania	–	–	100 000	100 000	–	–	99 965	(35)	–
Regione Calabria	–	–	685 871	685 871	1 371 742	–	677 895	(87 728)	1 291 990
Rigsadvokaten — Denmark	–	–	350 000	350 000	–	–	350 000	–	–
Transcrime	–	–	195 301	195 301	–	–	195 301	–	–
USAID	572 726	–	–	–	–	–	572 726	–	–
UTRF Morocco	–	–	350 000	350 000	–	–	350 000	–	–
World Bank/UNODC StAR Trust Fund	–	–	905 605	905 605	–	–	905 605	–	–
Subtotal, C	**577 055**	**507 099**	**44 331 700**	**44 838 799**	**16 381 876**	**258 179**	**58 453 511**	**615 929**	**4 218 327**
D. Voluntary contributions from public donations									
Agenzia Italiana del Farmaco	–	–	374 089	374 089	–	–	368 132	6 963	12 920
Aguas de Portugal	86 580	–	76 726	76 726	–	(86 580)[b]	27 138	(10 829)	38 760
Arsenault Family Foundation	–	–	100 000	100 000	–	–	100 000	–	–
Banco BPI	144 300	–	127 877	127 877	–	(144 300)[b]	46 948	(16 330)	64 599
Banco Commercial Portugues	86 580	–	83 682	83 682	80 000	(86 580)[b]	76 052	(10 111)	77 519
Banco Espirito Santo	144 300	–	131 234	131 234	–	(144 300)[b]	122 660	(8 574)	–
Caixa Geral de Depositos	144 300	–	132 514	132 514	–	(144 300)[b]	112 387	(10 437)	9 690

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose (b)	Special purpose (c)	Total 2010-2011 (d) = (b+c)	Pledges for future years (e)	Adjustments (f)	Collections (g)	Revaluation (losses) gains (h)	Unpaid pledges as at 31 December 2011 (i) = (a+d+e+f-g+h)
Cassa di Rispamio di Lucca	–	–	168 067	168 067	252 101	–	78 844	(31 247)	310 078
Cassa di Rispamio di Torino	25 974	–	26 239	26 239	–	(25 974)[b]	24 755	(1 484)	–
Consiglio del Ordine degli Avvocati	8 658	–	–	–	–	(7 752)[c]	–	(906)	–
Consorzio Univ. di Pomezia	–	–	14 006	14 006	–	–	6 105	(1 441)	6 460
CCP	–	–	3 401	3 401	–	–	3 472	71	–
Drosos Foundation	310 143	–	250 000	250 000	60 143	(310 143)[a]	250 000	–	60 143
Folke Bernadotte Academy	–	–	57 134	57 134	–		57 134	–	–
Fondazione Banca del Monte di Lucca	–	–	6 353	6 353	–	–	6 353	–	–
Fondazione Monte Paschi	–	–	60 197	60 197	–	–	39 133	(1 684)	19 380
Ford Foundation	75 000	–	–	–	–	–	75 000	–	–
Friend of the Academy	–	–	–	–	–	–	–	–	–
Galp Energia	129 870	–	87 209	87 209	43 605	(129 870)[a]	86 487	(5 567)	38 760
Grupo 8 Segyrance	–	–	76 046	76 046	38 023	–	40 808	4 259	77 519
International Development Law Organization	–	–	840	840	–	–	840	–	–
Motorola	–	–	64 420	64 420	–	–	67 661	3 241	–
Provincia di Lucca	8 658	–	–	–	–	–	8 723	64	–
Provveditorato Regionale Amministrazione Penitenziaria	14 430	–	–	–	–	–	13 370	(1 060)	–
Qatar Foundation on Combating Trafficking in Human Beings	–	–	1 300 000	1 300 000	4 000 000	–	1 300 000	–	4 000 000
Redes Energeticas Nacionais	86 580	–	79 365	79 365	–	(86 580)[b]	75 674	(3 691)	–
Rede Ferroviaria Nacional	57 720	–	52 493	52 493	–	(57 720)[b]	50 615	(1 878)	–
San Paolo Foundation	36 075	–	1 084 770	1 084 770	–	–	896 475	1 728	226 098
Siemens AG	–	–	477 968	477 968	2 614 589	–	1 494 005	–	1 598 552
Small Arms Survey	–	–	30 000	30 000	–	–	30 000	–	–
Veri Sign 2010	–	–	54 937	54 937	–	–	54 937	–	–

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011			Pledges for future years (e)	Adjustments (f)	Collections (g)	Revaluation (losses) gains (h)	Unpaid pledges as at 31 December 2011 (i) = (a+d+e+f-g+h)
		General purpose (b)	Special purpose (c)	Total 2010-2011 (d) = (b+c)					
Public donations accumulated from various sources not more than $50,000 annual	–	1 616	44 140	45 756	–	–	45 749	(8)	–
Subtotal, D	**1 359 168**	**1 616**	**4 963 709**	**4 965 325**	**7 088 460**	**(1 224 099)**	**1 559 457**	**(88 920)**	**6 540 478**
E. Voluntary contributions for the Trust Fund to Support Initiatives of States Countering Piracy off the Coast of Somalia									
Belgium	–	–	142 857	142 857	–	–	142 857	–	–
Cyprus	–	–	75 301	75 301	–	–	75 301	–	–
Denmark	–	–	329 042	329 042	–	–	329 042	–	–
France	–	–	400 000	400 000	–	150 602	550 602	–	–
Germany	–	–	1 000 000	1 000 000	–	–	1 000 000	–	–
Greece	–	–	144 300	144 300	–	–	144 300	–	–
Italy	–	–	418 234	418 234	–	–	418 234	–	–
Japan	–	–	1 500 000	1 500 000	–	–	1 500 000	–	–
Kuwait	–	–	1 000 000	1 000 000	–	–	1 000 000	–	–
Netherlands	–	–	1 371 464	1 371 464	–	–	1 371 464	–	–
Norway	–	–	2 000 802	2 000 802	–	–	2 000 802	–	–
Philippines	–	–	25 000	25 000	–	–	25 000	–	–
Qatar	–	–	100 000	100 000	–	–	100 000	–	–
Republic of Korea	–	–	100 000	100 000	–	–	100 000	–	–
Sweden	–	–	100 000	100 000	–	–	100 000	–	–
Turkey	–	–	50 000	50 000	–	–	50 000	–	–
United Arab Emirates	–	–	1 000 000	1 000 000	–	–	1 000 000	–	–
United Kingdom of Great Britain and Northern Ireland	–	–	710 512	710 512	–	–	710 512	–	–
United States of America	–	–	1 218 259	1 218 259	–	–	1 218 259	–	–
Subtotal, E	**–**	**–**	**11 685 771**	**11 685 771**	**–**	**150 602**	**11 836 373**	**–**	**–**

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose (b)	Income from pledges for 2010-2011: Special purpose (c)	Income from pledges for 2010-2011: Total 2010-2011 (d) = (b+c)	Pledges for future years (e)	Adjustments (f)	Collections (g)	Revaluation (losses) gains (h)	Unpaid pledges as at 31 December 2011 (i) = (a+d+e+f-g+h)
F. Voluntary contributions for the United Nations Voluntary Trust Fund for Victims of Trafficking in Persons, Especially Women and Children									
Austria	–	–	26 422	26 422	–	–	26 422	–	–
Belarus	–	–	20 797	20 797	–	–	20 797	–	–
France	–	–	24 217	24 217	–	–	24 217	–	–
Ecuador	–	–	5 000	5 000	–	–	5 000	–	–
Luxembourg	–	–	40 161	40 161	–	–	40 161	–	–
Malaysia	–	–	5 062	5 062	–	–	5 062	–	–
Qatar	–	–	99 156	99 156	–	–	99 156	–	–
Philippines	–	–	10 000	10 000	–	–	10 000	–	–
Thailand	–	–	24 625	24 625	–	–	24 625	–	–
Naguib Sawiris	–	–	200 000	200 000	–	–	200 000	–	–
Beulah London	–	–	3 726	3 726	–	–	3 726	–	–
Public donations accumulated from various sources not more than $50,000 annually	–	–	4 241	4 241	–	–	4 241	–	–
Subtotal, F	**–**	**–**	**463 408**	**463 408**	**–**	**–**	**463 408**	**–**	**–**
Total voluntary contributions									
Total, A-F	**43 209 504**	**5 872 983**	**217 593 634**	**223 466 617**	**46 256 810**	**(21 679 111)**	**227 777 001**	**890 119**	**64 366 940**
G. Funds received under inter-organizational arrangements									
Department of Peacekeeping Operations	–	–	15 000	15 000	–	–	15 000	–	–
International Maritime Organization	–	–	40 000	40 000	–	–	40 000	–	–
IOM–UNODC–UNHCR	–	–	361 100	361 100	–	–	135 355	–	225 745

Donor	Unpaid pledges as at 1 January 2010 (a)	Income from pledges for 2010-2011: General purpose (b)	Special purpose (c)	Total 2010-2011 (d) = (b+c)	Pledges for future years (e)	Adjustments (f)	Collections (g)	Revaluation (losses) gains (h)	Unpaid pledges as at 31 December 2011 (i) = (a+d+e+f-g+h)
MDTF/MDG Fund/UNDP Spain	2 824 373	–	3 219 235	3 219 235	602 525	(3 661 235)[a]	1 987 841	–	997 057
One UN — Cape Verde	–	–	1 098 205	1 098 205	–	(251 106)[a]	847 099	–	–
One UN — Viet Nam	193 103	–	653 050	653 050	–	(463 750)[a]	371 045	–	11 358
Peacebuilding Fund	–	–	270 400	270 400	544 630	–	815 030	–	–
United Nations Democracy Fund	384 747	–	226 831	226 831	–	(226 831)[a]	225 071	–	159 676
UNDP	2 061 944	–	1 739 368	1 739 368	–	(2 282 246)[a,c]	1 353 789	588	165 865
UNEP	–	–	50 000	50 000	43 500	–	93 500	–	–
UNOPS	184 616	–	150 000	150 000	–	(31 116)[c]	303 500	–	–
United Nations Trust Fund for Human Security	654 947	–	314 925	314 925	–	–	605 216	–	364 656
WHO	15 819	–	–	–	–	–	14 794	(1 025)	–
Subtotal, G	**6 319 549**	**–**	**8 138 113**	**8 138 113**	**1 190 655**	**(6 916 284)**	**6 807 240**	**(437)**	**1 924 357**
Total, A-G	**49 529 053**	**5 872 983**	**225 731 747**	**231 604 730**	**47 447 465**	**(28 595 395)**	**234 584 240**	**889 683**	**66 291 296**

[a] Accounting adjustments pertaining to pledges for 2010-2013 that were recorded in prior period.
[b] Transfer to/from Drug Programme Funds.
[c] Pledges written off.
[d] Realized savings from the Twelfth United Nations Congress on Crime Prevention and Criminal Justice (Salvador, Brazil, 12-19 April 2010).

Schedule 4

Consolidated budget and expenditure for the biennium ended 31 December 2011

(Thousands of United States dollars)

	Drug Programme Fund			*Crime Programme Fund*			*Total*		
Category	*2010-2011 revised budget*	*Expenditure*	*Balance*	*2010-2011 revised budget*	*Expenditure*	*Balance*	*2010-2011 revised budget*	*Expenditure*	*Balance*
I. Executive direction and management									
General purpose									
Post	1 135.9	673.8	462.1	91.9	66.2	25.7	1 227.8	740.0	487.8
Non-post[a]	378.5	462.1	(83.6)	–	2.1	(2.1)	378.5	464.2	(85.7)
Subtotal, general purpose	**1 514.4**	**1 135.9**	**378.5**	**91.9**	**68.3**	**23.6**	**1 606.3**	**1 204.2**	**402.1**
Programme support									
Post	177.0	124.4	52.6	–	–	–	177.0	124.4	52.6
Non-post	–	25.1	(25.1)	–	–	–	–	25.1	(25.1)
Subtotal, programme support	**177.0**	**149.5**	**27.5**	–	–	–	**177.0**	**149.5**	**27.5**
Special purpose[b]	650.0	436.7	213.3	–	–	–	650.0	436.7	213.3
Subtotal, I	**2 341.4**	**1 722.1**	**619.3**	**91.9**	**68.3**	**23.6**	**2 433.3**	**1 790.4**	**642.9**
II. Programme of work									
A. Subprogramme 1: Rule of law									
General purpose									
Post	–	–	–	–	–	–	–	–	–
Non-post	–	–	–	40.0	28.8	11.2	40.0	28.8	11.2
Subtotal, general purpose	–	–	–	**40.0**	**28.8**	**11.2**	**40.0**	**28.8**	**11.2**
Programme support									
Post	–	–	–	–	–	–	–	–	–
Non-post	–	–	–	–	–	–	–	–	–
Subtotal, programme support	–	–	–	–	–	–	–	–	–
Special purpose[c]	2 288.3	2 072.0	216.3	41 540.0	31 973.7	9 566.3	43 828.3	34 045.7	9 782.6
Subtotal, II.A	**2 288.3**	**2 072.0**	**216.3**	**41 580.0**	**32 002.5**	**9 577.5**	**43 868.3**	**34 074.5**	**9 793.8**
B. Subprogramme 2: Policy and trend analysis									
General purpose									
Post	4 394.3	4 233.4	160.9	922.1	871.4	50.7	5 316.4	5 104.8	211.6

Category	Drug Programme Fund			Crime Programme Fund			Total		
	2010-2011 revised budget	*Expenditure*	*Balance*	*2010-2011 revised budget*	*Expenditure*	*Balance*	*2010-2011 revised budget*	*Expenditure*	*Balance*
Non-post[a]	660.3	581.7	78.6	–	–	–	660.3	581.7	78.6
Subtotal, general purpose	**5 054.6**	**4 815.1**	**239.5**	**922.1**	**871.4**	**50.7**	**5 976.7**	**5 686.5**	**290.2**
Programme support									
Post	505.1	555.7	(50.6)	321.3	225.9	95.4	826.4	781.6	44.8
Non-post	–	–	–	–	50.0	(50.0)	–	50.0	(50.0)
Subtotal, programme support	**505.1**	**555.7**	**(50.6)**	**321.3**	**275.9**	**45.4**	**826.4**	**831.6**	**(5.2)**
Special purpose[b]	10 005.2	7 529.1	2 476.1	4 123.6	3 114.4	1 009.2	14 128.8	10 643.5	3 485.3
Subtotal, II.B	**15 564.9**	**12 899.9**	**2 665.0**	**5 367.0**	**4 261.7**	**1 105.3**	**20 931.9**	**17 161.6**	**3 770.3**
C.1. Subprogramme 3: Prevention, treatment and reintegration and alternative development (headquarters)									
General purpose									
Post	1 223.6	1 051.0	172.6	291.3	223.4	67.9	1 515.0	1 274.4	240.6
Non-post[c]	150.5	146.1	4.4	–	–	–	150.5	146.1	4.4
Subtotal, general purpose	**1 374.1**	**1 197.1**	**177.0**	**291.3**	**223.4**	**67.9**	**1 665.5**	**1 420.5**	**245.0**
Programme support									
Post	4 562.8	4 441.8	121.0	1 970.1	1 999.8	(29.7)	6 532.9	6 441.6	91.3
Non-post	1 264.4	996.4	268.0	269.2	237.6	31.6	1 533.6	1 234.0	299.6
Subtotal, programme support	**5 827.2**	**5 438.2**	**389.0**	**2 239.3**	**2 237.4**	**1.9**	**8 066.5**	**7 675.6**	**390.9**
Special purpose[d]	44 213.7	36 780.9	7 432.8	32 341.5	27 046.1	5 295.4	76 555.2	63 827.0	12 728.2
Subtotal, II.C.1	**51 415.0**	**43 416.2**	**7 998.8**	**34 872.1**	**29 506.9**	**5 365.2**	**86 287.1**	**72 923.1**	**13 364.0**
C.2. Subprogramme 3: Prevention, treatment and reintegration and alternative development (field offices)									
General purpose									
Post	6 178.2	6 403.7	(225.5)	2 754.3	2 889.6	(135.3)	8 932.4	9 293.3	(360.9)
Non-post	–	–	–	–	–	–	–	–	–
Subtotal, general purpose	**6 178.2**	**6 403.7**	**(225.5)**	**2 754.3**	**2 889.6**	**(135.3)**	**8 932.4**	**9 293.3**	**(360.9)**

Category	Drug Programme Fund			Crime Programme Fund			Total		
	2010-2011 revised budget	*Expenditure*	*Balance*	*2010-2011 revised budget*	*Expenditure*	*Balance*	*2010-2011 revised budget*	*Expenditure*	*Balance*
Programme support									
Post	4 071.9	3 672.5	399.4	1 266.6	1 402.0	(135.4)	5 338.5	5 074.5	264.0
Non-post	4 751.5	5 190.2	(438.7)	1 887.2	1 781.8	105.4	6 638.7	6 972.0	(333.3)
Subtotal, programme support	**8 823.3**	**8 862.7**	**(39.4)**	**3 153.8**	**3 183.8**	**(30.0)**	**11 977.1**	**12 046.5**	**(69.4)**
Special purpose[c,d]	181 422.2	185 739.2	(4 317.0)	89 099.5	85 254.5	3 845.0	270 521.7	270 993.7	(472.0)
Subtotal, II.C.2	**196 423.7**	**201 005.6**	**(4 581.9)**	**95 007.6**	**91 327.9**	**3 679.7**	**291 431.3**	**292 333.5**	**(902.2)**
III. Programme support									
General purpose									
Post	1 076.9	1 045.2	31.7	151.3	136.2	15.1	1 228.2	1 181.4	46.8
Non-post[a]	1 180.2	1 140.7	39.5	–	–	–	1 180.2	1 140.7	39.5
Subtotal, general purpose	**2 257.1**	**2 185.9**	**71.2**	**151.3**	**136.2**	**15.1**	**2 408.4**	**2 322.1**	**86.3**
Programme support									
Post	6 591.7	5 752.4	839.3	1 822.8	1 699.8	123.0	8 414.5	7 452.2	962.3
Non-post	1 046.2	1 056.5	(10.3)	674.3	669.8	4.5	1 720.5	1 726.3	(5.8)
Subtotal, programme support	**7 637.9**	**6 808.9**	**829.0**	**2 497.1**	**2 369.6**	**127.5**	**10 135.0**	**9 178.5**	**956.5**
Special purpose	1 594.7	1 450.9	143.8	6 717.2	6 715.8	1.4	8 311.9	8 166.7	145.2
Subtotal, III	**11 489.6**	**10 445.7**	**1 043.9**	**9 365.6**	**9 221.6**	**144.0**	**20 855.2**	**19 667.3**	**1 187.9**
Summary, I-III									
General purpose									
Post	14 008.8	13 407.1	601.7	4 210.9	4 186.8	24.1	18 219.8	17 593.9	625.9
Non-post	2 369.5	2 330.6	38.9	40.0	30.9	9.1	2 409.4	2 361.5	47.9
Loss from currency fluctuations	–	1 495.1	(1 495.1)	–	569.9	(569.9)	–	2 064.9	(2 064.9)
Subtotal, general purpose	**16 378.3**	**17 232.8**	**(854.4)**	**4 250.9**	**4 787.6**	**(536.7)**	**20 629.2**	**22 020.3**	**(1 391.1)**
Programme support									
Post	15 908.5	14 546.8	1 361.7	5 380.8	5 327.5	53.3	21 289.3	19 874.3	1 415.0
Non-post	7 062.1	7 268.2	(206.1)	2 830.7	2 739.2	91.5	9 892.7	10 007.4	(114.7)

Category	Drug Programme Fund			Crime Programme Fund			Total		
	2010-2011 revised budget	*Expenditure*	*Balance*	*2010-2011 revised budget*	*Expenditure*	*Balance*	*2010-2011 revised budget*	*Expenditure*	*Balance*
Loss from currency fluctuations	–	322.9	(322.9)	–	184.7	(184.7)	–	507.5	(507.5)
Subtotal, programme support	**22 970.6**	**22 137.9**	**832.7**	**8 211.5**	**8 251.4**	**(39.9)**	**31 182.0**	**30 389.2**	**792.7**
Special purpose	240 174.1	234 008.8	6 165.3	173 821.8	154 104.5	19 717.3	413 995.9	388 113.3	25 882.6
External executing agencies	1 053.4	720.0	333.4	402.1	945.4	(543.3)	1 455.5	1 665.4	(209.9)
Loss from currency fluctuations	–	4 415.2	(4 415.2)	–	3 746.4	(3 746.4)	–	8 161.5	(8 161.5)
Subtotal, special purpose	**241 227.5**	**239 144.0**	**2 083.5**	**174 223.9**	**158 796.3**	**15 427.7**	**415 451.4**	**397 940.2**	**17 511.2**
Total, I-III	**280 576.4**	**278 514.6**	**2 061.8**	**186 686.3**	**171 835.2**	**14 851.1**	**467 262.6**	**450 349.8**	**16 912.8**

Note: The 2010-2011 revised budget figures are based on those contained in document E/CN.7/2011/11-E/CN.15/2011/11, with adjustments as set out in the footnotes.

[a] The budget for the shared support services which was split in the Drug Programme Fund between Executive direction and management, subprogramme 2, subprogramme 3 (headquarters) and programme support is now fully reflected under programme support.

[b] The budget and expenditure for an Independent Evaluation Unit project which was budgeted in the Drug Programme Fund, subprogramme 2, is now reflected under Executive direction and management.

[c] The budget for a project of the Crime Programme Fund which was budgeted in the Drug Programme Fund, subprogramme 1, is now reflected under Crime Programme Fund, subprogramme 3 (field offices).

[d] The expenditure includes transfers of programme support cost funds to special-purpose funds to cover shortfalls in projects. The net difference with the expenditure as reflected in the financial statement is due to transfers to cover prior-period shortfalls.

Schedule 5
Consolidated programme support costs, by implementing agency and source
(United States dollars)

	Expenditure				Programme support costs								
					Implementing partners				UNODC			Total	
	General purpose	Special purpose	Programme support	Total	Special purpose	Programme support	Total	Percentage	Special purpose	Total	Percentage	Amount	Percentage
I. Programme support costs on expenditure													
A. UNODC implementation													
1. Drug Programme	15 737 651	89 673 383	13 462 358	118 873 391					10 636 263	10 636 263	8.9	10 636 263	8.9
2. Crime Programme[a]	4 217 769	79 376 177	8 734 533	92 328 479					8 043 090	8 043 090	8.7	8 043 090	8.7
Subtotal, A	**19 955 420**	**169 049 560**	**22 196 891**	**211 201 871**					**18 679 353**	**18 679 353**	**8.8**	**18 679 353**	**8.8**
B. Partners implementation/support													
1. Drug Programme													
United Nations entities													
UNDP		109 627 610	8 094 673	117 722 283	(68)		(68)	–	13 031 414	13 031 414	11.1	13 031 346	11.1
UNFPA		859 988		859 988	52 073		52 073	6.1	59 725	59 725	6.9	111 798	13.0
UNOPS		4 885 713		4 885 713	339 643		339 643	7.0	278 694	278 694	5.7	618 337	12.7
Specialized agencies													
FAO		10 641		10 641	958		958	9.0	424	424	4.0	1 382	13.0
WHO		235 420		235 420	30 710		30 710	13.0	(21 043)	(21 043)	(8.9)	9 667	4.1
IOM		2 889 382		2 889 382	196 630		196 630	6.8	168 540	168 540	5.8	365 169	12.6
Intergovernmental organizations													
WCO		1 109 859		1 109 859	77 690		77 690	7.0	62 830	62 830		140 520	12.7
Subtotal, B.1	**–**	**119 618 614**	**8 094 673**	**127 713 287**	**697 635**		**697 635**	**0.5**	**13 580 584**	**13 580 584**	**10.6**	**14 278 219**	**11.2**
2. Crime Programme													
United Nations entities													
UNDP		55 722 702		55 722 702	56 885		56 885	0.1	5 889 532	5 889 532	10.6	5 946 417	10.7
UNOPS		14 833 092		14 833 092	809 528		809 528	5.5	839 820	839 820	5.7	1 649 348	11.1

	Expenditure				*Programme support costs*								
					Implementing partners				*UNODC*			*Total*	
	General purpose	*Special purpose*	*Programme support*	*Total*	*Special purpose*	*Programme support*	*Total*	*Percentage*	*Special purpose*	*Total*	*Percentage*	*Amount*	*Percentage*
UNPOS		107 000		107 000	7 000		7 000	6.5	3 000	3 000	2.8	10 000	9.3
Specialized agencies													
IOM		1 001 478		1 001 478	71 956		71 956	7.2	25 121	25 121	2.5	97 076	9.7
Subtotal, B.2		**71 664 271**		**71 664 271**	**945 368**		**945 368**	**1.3**	**6 757 473**	**6 757 473**	**9.4**	**7 702 842**	**10.7**
Subtotal, B		**191 282 885**	**8 094 673**	**199 377 558**	**1 643 003**		**1 643 003**	**0.8**	**20 338 057**	**20 338 057**	**10.2**	**21 981 061**	**11.0**
C. National execution													
1. Drug Programme		24 794 460		24 794 460	22 377		22 377	0.1	1 217 328	1 217 328	4.9	1 239 705	5.0
2. Crime Programme		2 372 911		2 372 911					118 646	118 646	5.0	118 646	5.0
Subtotal, C		**27 167 371**		**27 167 371**	**22 377**		**22 377**	**0.1**	**1 335 974**	**1 335 974**	**4.9**	**1 358 351**	**5.0**
D. Total programme support costs on expenditure													
1. Drug Programme	15 737 651	234 086 457	21 557 031	271 381 138	720 012		720 012	0.3	25 434 175	25 434 175	9.4	26 154 187	9.6
2. Crime Programme	4 217 769	153 413 360	8 734 533	166 365 663	945 368		945 368	0.6	14 919 208	14 919 208	9.0	15 864 577	9.5
Subtotal, I	**19 955 420**	**387 499 816**	**30 291 564**	**437 746 800**	**1 665 380**		**1 665 380**	**0.4**	**40 353 384**	**40 353 384**	**9.2**	**42 018 764**	**9.6**

	Allocation balance[b]				Programme support costs								
					Implementing partners				UNODC			Total	
	General purpose	Special purpose	Programme support	Total	Special purpose	Programme support	Total	Percentage	Special purpose	Total	Percentage	Amount	Percentage
II. Programme support costs on allocation balance													
1. Drug Programme													
United Nations entities													
UNOPS		79 951		79 951					4 397	4 397	5.5	4 397	5.5
Specialized agencies													
Subtotal, II.1		**79 951**		**79 951**					**4 397**	**4 397**	**5.5**	**4 397**	**5.5**
2. Crime Programme													
United Nations entities													
UNOPS		422 693		422 693					23 248	23 248	5.5	23 248	5.5
UNDP		449 622		449 622					12 613	12 613	2.8	12 613	2.8
UNPOS		107 000		107 000					3 000	3 000	2.8	3 000	2.8
Specialized agencies													
IOM		238 516		238 516									
Subtotal, II.2		**1 217 831**		**1 217 831**					**38 861**	**38 861**	**3.2**	**38 861**	**3.2**
Subtotal, II		**1 297 782**		**1 297 782**					**43 259**	**43 259**	**3.3**	**43 259**	**3.3**

	Expenditure and allocation balance				*Programme support costs*								
					Implementing partners				*UNODC*			*Total*	
	General purpose	*Special purpose*	*Programme support*	*Total*	*Special purpose*	*Programme support*	*Total*	*Percentage*	*Special purpose*	*Total*	*Percentage*	*Amount*	*Percentage*
III. Totals													
1. Drug Programme	**15 737 651**	**234 166 408**	**21 557 031**	**271 461 090**	**720 012**		**720 012**	**0.3**	**25 438 573**	**25 438 573**	**9.4**	**26 158 585**	**9.6**
2. Crime Programme	**4 217 769**	**154 631 190**	**8 734 533**	**167 583 493**	**945 368**		**945 368**	**0.6**	**14 958 070**	**14 958 070**	**8.9**	**15 903 438**	**9.5**
Total	**19 955 420**	**388 797 598**	**30 291 564**	**439 044 583**	**1 665 380**		**1 665 380**	**0.4**	**40 396 642**	**40 396 642**	**9.2**	**42 062 023**	**9.6**

Note: The schedule shows expenditure in relation to the programme support costs generated and therefore does not include the exchange losses of $953,665 for the Drug Programme general-purpose fund, $4,956,588 for the Drug Programme special-purpose fund, $322,852 for the Drug Programme programme support costs fund, $33,671 for the Crime Programme general-purpose fund, $4,282,536 for the Crime Programme special-purpose fund and $184,676 for the Crime Programme programme support costs fund.

[a] UNODC implementation for Crime Programme Funds includes the UNICRI sub-account, the Trust Fund to Support Initiatives of States Countering Piracy off the Coast of Somalia and the United Nations Voluntary Trust Fund for Victims of Trafficking in Persons, Especially Women and Children.

[b] Allocation balance reserved for implementing partners implementation is based on unliquidated obligations reported by implementing partners as at 31 December 2011.

Notes to the financial statements

Note 1
Statement of aims

(a) UNODC is mandated to assist Member States in their struggle against illicit drugs, crime, and terrorism in all its forms and manifestations. The three pillars of the work programme of UNODC are: (i) normative services to facilitate the implementation of international legal instruments and their transformation into global norms, as well as facilitating negotiation of international legal instruments; (ii) research and analysis to increase knowledge and understanding of drug, crime and terrorism issues and expansion of the evidence base for policymaking and operational decisions; and (iii) technical assistance to provide expertise to Member States in preparing for signature and ratification of international legal instruments and facilitating their implementation and providing Member States with legislative assistance and facilitating national capacity-building, inter alia, in the area of multilateral standards and norms.

(b) The Fund of the United Nations International Drug Control Programme is primarily concerned with technical cooperation programmes and projects in drug control. The United Nations Crime Prevention and Criminal Justice Fund is primarily concerned with technical cooperation programmes and projects in crime prevention, criminal justice and criminal law reform.

Note 2
Accounting policies

(a) Accounting conventions:

(i) The accounts of the Drug Programme and Crime Programme Funds are maintained in accordance with the Financial Regulations and Rules of the United Nations, the Financial Rules of UNODC and the United Nations system accounting standards. Going concern, consistency and accrual are fundamental accounting assumptions. Prudence, substance over form, and materiality govern the selection and application of accounting policies. Notes to the financial statements disclose all significant accounting policies and changes in accounting policies that materially affect the financial statements;

(ii) The accounts are maintained on a fund accounting basis. Each fund is a distinct financial and accounting entity with a separate self-balancing group of accounts. Separate financial statements are prepared for the Drug Programme and Crime Programme Funds, which are combined to present the consolidated financial statements;

(iii) The consolidated cash flow statement is based on the indirect method of cash flows as referred to in the United Nations system accounting standards;

(iv) The financial period is a biennium consisting of two consecutive calendar years. The financial statements are prepared on the historical cost basis of accounting and are not adjusted to reflect the effects of changing prices for goods and services;

(v) The accounts are maintained and presented in United States dollars. Transactions in other currencies are translated into United States dollars at the

time of the transactions at rates of exchange established by the United Nations. In respect of such currencies, the financial statements reflect the cash, investments, unpaid pledges, and current accounts receivable and payable in currencies other than United States dollars, translated at the applicable United Nations rates of exchange in effect at the date of the presentation of the statements;

(vi) The financial statements of the Drug Programme and the Crime Programme Funds are presented according to general-purpose, special-purpose and programme support funds. General-purpose funds are unearmarked resources that finance the executive direction and management of UNODC, as well as programme and programme support costs both at headquarters in Vienna and in the field. They are also used to fund advances for projects and other field operations. Special-purpose funds are earmarked voluntary contributions, which finance the Office's technical cooperation and other substantive activities at headquarters and in the field. Starting in 2008, UNODC reported programme support resources recovered through the application of a charge against activities funded from special-purpose contributions as a separate category of funds. In previous bienniums such resources were classified as general-purpose funds. This change was approved in resolutions 50/14 and 16/6 of the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice, respectively;

(vii) The Crime Programme Fund account includes sub-accounts for UNICRI, the Trust Fund to Support Initiatives of States Countering Piracy off the Coast of Somalia and the United Nations Voluntary Trust Fund for Victims of Trafficking in Persons, Especially Women and Children. The presentation of consolidated financial statements for the Drug Programme and Crime Programme Funds facilitates the review of the work of UNODC and does not imply that these Funds have been intermingled. The consolidation process requires the elimination of transactions between the Funds for accurate presentation in the "total" column. The elimination removes double-counting of income and expenditure and includes receivable and payable offsets and adjustments to fund balances. All such eliminations are presented under the separate "eliminations" column and row.

(b) Income:

(i) In accordance with the policy of the United Nations Secretariat and the recommendation of the Board of Auditors that UNODC account for contributions on an accrual rather than on a cash basis (see A/61/5/Add.9), income from voluntary contributions are recognized on an accrual basis;

(ii) Voluntary contributions from Member States and other donors are recognized on the basis of a written commitment to pay monetary contributions at specified times within the current financial period. Voluntary contributions include cost-sharing contributions, income from other Governmental organizations and public donations. Voluntary contributions in kind are disclosed in note 11;

(iii) Income received under inter-organizational arrangements represents allocations of funds from agencies to allow UNODC to administer projects or other programmes on their behalf;

(iv) The UNODC share of programme support costs charged to projects and activities charged to special-purpose funds is credited as income to its programme support funds to meet related support expenditure. This programme support income, however, is then eliminated in consolidating income to avoid double-counting income already recognized under special-purpose contributions. In accordance with United Nations policies governing trust funds, the UNODC share of programme support income on the balance of unspent allocations issued to implementing partners is also recognized;

(v) Interest income includes all interest earned on deposits in UNODC bank accounts and investment income earned in the United Nations cash pool accounts. Special-purpose, programme support and general-purpose funds are not invested separately, as investments are pooled to maximize returns. Interest income on total investments is split according to the general-purpose, special-purpose and programme support fund balances. The special-purpose fund share of interest income to the Drug Programme and Crime Programme Funds is then distributed to special-purpose project accounts or refunded according to donor funding arrangements. The remaining balance is credited to general-purpose funds. This distribution is shown as a transfer between general- and special-purpose funds in the financial statements;

(vi) Miscellaneous income includes refunds of expenditure charged to prior periods, income for services rendered, savings on or cancellation of prior-period obligations and other sundry income.

(c) Expenditure:

(i) Expenditure is incurred against authorized appropriations or commitment authority. Expenditure incurred directly by UNODC includes unliquidated obligations and disbursements. Expenditure incurred by implementing partners includes disbursements made by them on behalf of UNODC. Loss on currency fluctuations (including currency exchange adjustments arising from revaluation of current-period obligations, bank accounts, investment pools and outstanding receivables) is reported as a part of operating expenses in the second year of the biennium;

(ii) A programme support charge of up to 13 per cent for programme and project execution is levied by UNODC. Where implementation of a programme or project is shared with an implementing partner, programme support charges are also shared, with the combined amount not exceeding 13 per cent. Programme support costs paid in the biennium to implementing partners under this arrangement are charged to programme expenditure in the financial statements, since they constitute an outflow of funds from the organization. Programme support costs retained by UNODC under this arrangement are then eliminated in the "eliminations" column to avoid double-counting with actual programme support expenditure;

(iii) Expenditure incurred for non-expendable property is charged to the budget of the period when the property was acquired and are not capitalized. Inventory of such non-expendable property is maintained at historical cost and is disclosed in note 10.

(d) Assets:

(i) Cash and term deposits represent funds held in demand-deposit accounts and interest-bearing bank deposits in UNODC headquarters bank accounts and UNODC field office bank accounts. Cash also includes imprest and petty cash in UNODC field offices, in UNICRI and with ESCAP;

(ii) Cash pool funds — see note 6;

(iii) Inter-fund balances reflect transactions between funds and are included in the amounts due to and from the United Nations General Fund. Inter-fund balances also reflect transactions made directly with the United Nations General Fund. Inter-fund balances are settled periodically;

(iv) Accounts receivable include contributions receivable, inter-fund balances receivable, advances to implementing partners and other receivables;

(v) Other assets represent deferred charges. Deferred charges normally comprise expenditure items that are not properly chargeable to the current financial period. They will be charged as expenditure in a subsequent period. These expenditure items include commitments approved for future financial periods in accordance with financial rule 106.7. Such commitments are normally restricted to administrative requirements of a continuing nature and to contracts or legal obligations where long lead times are required for delivery. Loss on currency fluctuations are included as deferred charges in the first year of the biennium. For purposes of the balance sheet statements only, those portions of education grant advances that are assumed to pertain to the scholastic years completed as at the date of the financial statement are shown as deferred charges. The full amounts of the advances are maintained as accounts receivable from staff members until the required proofs of entitlement are produced, at which time the budgetary accounts are charged and the advances settled.

(e) Liabilities:

(i) Unpaid commitments and valid commitments against future financial periods are shown as unliquidated obligations. Obligations remain valid for 12 months following the end of the biennium to which they relate;

(ii) Accounts payable include advances due to implementing partners, inter-fund balances payable and other payables;

(iii) Deferred income includes pledged contributions for future periods where the pledge document categorically specifies the fiscal year(s) in which the contributions shall be made;

(iv) Accrued liabilities for end-of-service and post-retirement benefits, comprising after-service health insurance, unused annual leave days, end-of-service allowances and repatriation benefits, are included as liabilities in the statement of assets, liabilities and reserves and fund balances, in accordance with United Nations accounting policy and General Assembly resolution 60/255 with respect to recognition of after-service health insurance liabilities (note 7);

(v) UNODC participates in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death,

disability and related benefits. The Pension Fund is a funded, multi-employer defined benefit plan. The contribution of the Office to the Pension Fund consists of its mandated contribution at the rate established by the Assembly, currently 7.9 per cent for the participant and 15.8 per cent for the organizations, respectively, of the applicable pensionable remuneration, together with its share of any actuarial deficiency payments under article 26 of the Regulations of the United Nations Joint Staff Pension Fund. Such deficiency payments are payable only if and when the Assembly has invoked the provision of article 26, following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. As at 31 December 2011, the Assembly had not invoked this provision.

(f) Reserves and fund balances:

(i) Prior-period adjustments include adjustments to prior-period income and the write-off and cancellation of prior-period pledges (note 4);

(ii) Net changes of provisions and reserves reflect movements of the reserve for allocations;

(iii) Transfers to and from other funds are performed in accordance with terms and conditions as agreed with donors;

(iv) Refunds to donors are funds that are surplus to the requirements of specific projects and are returned to donors in accordance with the terms and conditions set forth in funding agreements;

(v) Reserves for allocations are established to cover unspent budgetary allocations and outstanding operating funds advanced to implementing partners.

Note 3
Effect of changes in accounting policies

There were no significant changes in accounting policies during the biennium 2010-2011.

Note 4
Prior-period adjustments

(a) The Drug Programme Fund balance reflects write-offs of a $10,000 pledge balance from Algeria, a $64,935 pledge balance from Belgium, a $220,562 pledge balance from the Plurinational State of Bolivia, a $43,493 pledge balance from the United Kingdom of Great Britain and Northern Ireland, a $28,244 pledge balance from UNDP, pledge balances of $109,302 and $2,898,000 from Brazil, pledge balances of $372,175, $59,283 and $89,134 from Colombia, a $123,550 pledge balance from Nigeria, pledge balances of $508,950 and $1,101,050 from Qatar, pledge balances of $120,000 and $2,034 from UNAIDS, a pledge balance of $41,000 from the United States of America and a pledge balance of $224,873 from the World Bank.

(b) The Crime Programme Fund balance reflects write-offs of a $29,154 pledge balance from Austria, a $12,239 pledge balance from Belgium, pledge balances of $9,017 and $3,784 from Canada, pledge balances of $50,900 and

$20,391 from Germany, a $31,116 pledge balance from UNOPS, a $179,587 pledge balance from Finland, a $25,840 pledge balance from Hungary, a $14,720 pledge balance from the United Kingdom and pledge balances of $232,787, $612,078, $329,470, $37,800 and $83,944 from UNDP. The UNICRI sub-account reflects write-offs of a pledge balance of $500,000 from Fonds de lutte contre le trafic des stupéfiants and $7,752 from Consiglio dell'Ordine degli Avvocati. The Crime Programme Fund also adjusted its prior-period income by $118,380, which was previously recognized as a general-purpose contribution from Belgium to the Crime Programme Fund in 2009 and by $42,373, which was previously recognized as a contribution from Colombia to the Fund in 2008.

Note 5
Operating funds advanced to (due to) implementing partners

(United States dollars)

Implementing partners	*Operating funds advanced to implementing partners as at 31 December 2011*	*Operating funds due to implementing partners as at 31 December 2011*
United Nations entities		
UNDP	6 536 152	–
UNFPA	41 456	–
UNOPS	2 214 191	1 194 090
UNICEF	75 900	–
UNPOS	107 00	–
Specialized agencies		
FAO	7 150	–
IOM	661 738	–
WHO	–	4 257
Intergovernmental organizations		
African Union	–	61 161
World Customs Organization	–	131 867
OSCE	1 829	–
Non-governmental organizations		
Grupo 8 Seguranca	4 484	–
OeWF	129 199	–
Banco Agrario de Colombia Nit	1 860 582	–
Total	**11 639 681**	**1 391 375**

Note 6
Cash pool

(a) Background:

(i) The United Nations Treasury centrally invests surplus funds on behalf of the United Nations Secretariat, including UNODC. Such surplus funds are combined in one of three internally managed cash pools, which invest in major segments of the money and fixed-income markets. Pooling the funds has a positive effect on overall investment performance and risk, because of economies of scale, and by the ability to spread yield curve exposures across a range of maturities;

(ii) Investment activities of all the cash pools are guided by the principles contained in the Investment Management Guidelines. An Investment Committee periodically assesses compliance with the Guidelines and makes recommendations for updates thereto, and also reviews performance of the various cash pools.

(b) Investment management objectives:

Further to the Guidelines, the investment objectives of all the cash pools, in order of priority, are the following:

(i) Safety: ensure the preservation of capital;

(ii) Liquidity: ensure sufficient liquidity to allow the United Nations and participating entities to readily meet all operating requirements. Only assets that have a readily available market value and can be easily converted to cash are held;

(iii) Return on investment: attain a competitive market rate of return, taking into account investment risk constraints and the cash flow characteristics of the pool. Benchmarks determine whether satisfactory market returns are being achieved in the cash pool.

(c) Cash pools:

(i) UNODC participates in the following cash pools:

a. Cash pool of offices away from Headquarters, which has investments only in United States dollars and is for use by funds whose main books of accounts are maintained in one of the offices away from Headquarters;

b. Euro pool, which has investments only in euros and is for use by funds in offices away from Headquarters that may have a surplus of euros from their operations;

(ii) The cash pools invest in a variety of securities. Such securities may include, but are not restricted to, bank deposits, commercial paper, supranational securities, government agency securities and government securities with maturities of five years or less. The cash pools do not invest in derivative instruments or asset-backed, mortgage-backed or equity products;

(iii) Investment transactions are accounted for on a settlement-date basis. Investment income is recognized on the accrual basis; transaction costs that are directly attributable to the investment activity of the cash pools are expensed as incurred in the cash pools, and the net income is distributed proportionately to the funds participating in the cash pools;

(iv) Gains and losses on the sale of investments are calculated as the difference between the sales proceeds and book value and are reflected in the net income distributed to the cash pool participants.

(d) Financial information pertaining to the offices away from Headquarters and euro cash pools:

(i) As at 31 December 2011, the offices away from Headquarters and euro cash pools held total assets of $1,956.0 million; of this amount, $298.4 million was due to UNODC, as reflected against the cash pool line in the statement of assets, liabilities and reserves and fund balances (statement II);

(ii) Financial information on the offices away from Headquarters and euro cash pools as at 31 December 2011 is summarized in table 1.

Table 1
Summary of assets and liabilities of the cash pools as at 31 December 2011
(Thousands of United States dollars)

	Offices away from Headquarters cash pool	*Euro cash pool*	*Total*
Assets			
Short-term investments[a]	627 484	122 754	750 238
Long-term investments[b]	940 267	152 256	1 092 523
Total investments	**1 567 751**	**275 010**	**1 842 761**
Cash	2	106 815	106 817
Accrued investment income	3 842	2 530	6 372
Total assets	**1 571 595**	**384 355**	**1 955 950**
Liabilities			
Payable to UNODC	182 342	116 100	298 442
Payable to other funds participating in the cash pools	1 389 253	268 255	1 657 508
Total liabilities	**1 571 595**	**384 355**	**1 955 950**
Net assets	–	–	–

Summary of net income of the cash pools for the biennium ended 31 December 2011

(Thousands of United States dollars)

	Offices away from Headquarters cash pool	*Euro cash pool*[c]	*Total*
Net income			
Interest income	40 714	4 355	45 069
Securities	10 080	478	10 558
Securities lending income[d]	559	–	559
Net income from operations	**51 353**	**4 833**	**56 186**

[a] Lower of book value or fair value.
[b] Book value.
[c] Excludes gains or losses arising on revaluation of the underlying euro-based investments.
[d] Securities lending refers to the United Nations. The terms of the loan are governed by an agreement, which requires the borrower to provide the United Nations with collateral of a value greater than the loan security.

(e) Composition of the offices away from Headquarters and euro cash pools:

Table 2 shows a breakdown of investments held in the offices away from Headquarters and euro cash pools by type of instrument.

Table 2
Investments of the cash pools, by type of instrument, as at 31 December 2011

(Thousands of United States dollars)

	Book value	*Fair value*[a]
Offices away from Headquarters cash pool		
Bonds		
Government agencies	989 127	990 001
Non-United States sovereigns and supranationals	325 031	326 577
Subtotal	**1 314 158**	**1 316 578**
Discounted instruments[b]	74 978	74 981
Term deposits	178 615	178 615
Total investments	**1 567 751**	**1 570 174**
Euro cash pool		
Bonds		
Government agencies	93 819	93 764
Non-United States sovereigns and supranationals	103 672	104 055
Subtotal	**197 491**	**197 819**

	Book value	*Fair value*[a]
Term deposits	77 519	77 519
Total investments	**275 010**	**275 338**
Total of cash pools		
Bonds		
Government agencies	1 082 946	1 083 765
Non-United States sovereigns and supranationals	428 703	430 632
Subtotal	**1 511 649**	**1 514 397**
Discounted instruments[b]	74 978	74 981
Term deposits	256 134	256 134
Total investments	**1 842 761**	**1 845 512**

[a] Fair value is determined by the independent custodian based on valuations of securities that are sourced from third parties.

[b] Includes United States Treasury bills and discount notes.

(f) Financial risk management:

The offices away from Headquarters and euro cash pools are exposed to a variety of financial risks, including credit risk, liquidity risk, currency risk and market risk (which includes interest rate risk and other price risks), as described below:

(i) Credit risk:

The Guidelines require that investments not be made in issuers whose credit ratings are below specifications, and also provide for maximum concentrations with given issuers. These requirements were met at the time the investments were made. The credit ratings used are those determined by the major credit-rating agencies; Standard & Poor's and Moody's are used to rate bonds and commercial paper, and the Fitch Individual Rating is used to rate term deposits. The credit ratings of the issuers whose securities were held in the offices away from Headquarters and euro cash pools are shown in table 3.

Table 3
Investments of the cash pools, by credit ratings, as at 31 December 2011
(Thousands of United States dollars)

	Total[a]	*Rating*
Offices away from Headquarters pool		
Bonds	1 314 158	S&P: 41.4% AAA and 58.6% AA+/AA-; Moody's: 94.7% Aaa and 5.3% Aa1/Aa3
Discounted instruments[b]	74 978	S&P: A-1+; Moody's: P-1
Term deposits	178 615	Fitch: 60.8% A/B and 39.2%B
Total investments	**1 567 751**	
Euro pool		
Bonds	197 491	S&P: AAA; Moody's: Aaa
Term deposits	77 519	Fitch: B
Total investments	**275 010**	

[a] Represents the book value of securities as at 31 December 2011.
[b] Includes United States Treasury bills and discount notes.

(ii) Liquidity risk:

The offices away from Headquarters and euro cash pools are exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. It maintains sufficient cash and marketable securities to meet commitments as and when they fall due. The major portion of the pools' cash and cash equivalents and investments are available within one day's notice to support operational requirements. Hence, the pools are able to respond to withdrawal needs in a timely manner, and liquidity risk is considered to be low.

(iii) Currency risk:

Currency risk is the risk that the value of investments denominated in non-United States dollars will fluctuate owing to changes in foreign exchange rates versus the United States dollar. The offices away from Headquarters pool has no currency risk, as all its investments are in United States dollars. The euro pool is exposed to currency risk through the holding of securities in euros. Accordingly, funds participating in the euro pool are exposed to currency risk to the extent that their share of investments exceeds their operational requirements for euros.

(iv) Interest rate risk:

Interest rate risk is the risk of variability in investments' values due to changes in interest rates. In general, as the interest rate rises, the price of a fixed-rate security falls, and vice versa. Interest rate risk is commonly measured by the fixed-rate security's duration, with duration being a number expressed in years. The longer the duration, the greater the interest rate risk. The offices away from Headquarters and euro pools are exposed to interest rate risk, as their holdings comprise interest-bearing securities. As at 31 December 2011, the pools invested

primarily in securities with shorter terms to maturity, with the maximum term being less than four years. The average durations of the offices away from Headquarters pool and euro pool were 0.89 years and 0.93 years, respectively, which are considered to be indicators of low interest rate risk. Table 4 shows how the fair value of the offices away from Headquarters and euro cash pools as at 31 December 20011 would increase or decrease should the overall yield curve shift in response to changes in interest rates. The impact of an upward or downward shift of up to 200 basis point in the yield curve is shown (100 basis points equals 1 per cent). However, in view of the current interest rate environment, the basis point shifts should be considered to be illustrative.

Table 4
Sensitivity of the cash pools to interest rates as at 31 December 2011

	Change in fair value (Millions of United States dollars)		
Shift in yield curve (basis points)	*Offices away from Headquarters cash pool*	*Euro cash pool*	*Total*
-200	28	5	33
-150	21	4	25
-100	14	3	17
-50	7	1	8
0	0	0	0
50	-7	-1	-8
100	-14	-3	-17
150	-21	-4	-25
200	-28	-5	-33

(v) Other price risk:

The offices away from Headquarters and euro cash pools are not exposed to significant other price risk, as they do not sell short, borrow securities or purchase securities on margin, all of which limit the potential loss of capital.

Note 7
End-of-service and post-retirement benefits

(a) End-of-service and post-retirement benefits comprise after-service health insurance coverage, repatriation benefits and commutation of unused annual leave. All three liabilities are determined on the basis of an actuarial valuation, which was undertaken by an independent, qualified actuarial firm.

(b) After-service health insurance (ASHI):

(i) At the end of service, staff members and their dependants may elect to participate in a defined-benefit health insurance plan of the United Nations, provided they have met certain eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after

1 July 2007, and 5 years for those who were recruited prior to that date. This benefit is referred to as after-service health insurance;

(ii) The major assumptions used by the actuary to determine the liabilities for after-service health insurance as at 31 December 2011 were a discount rate of 4.5 per cent; health care escalation rates of 8.0 per cent in 2012 for all medical plans (7.0 per cent for the United States Medicare plan and 5.0 per cent for the United States dental plan), grading down to 4.5 per cent in 2027 and later years; and retirement, withdrawal and mortality assumptions consistent with those used by the United Nations Joint Staff Pension Fund in making its own actuarial valuation of pension benefits. The main changes as compared to the 31 December 2009 valuation were a decline in the assumption for the discount rate from 6.0 per cent to 4.5 per cent, reflecting a broad decline in interest rates of the benchmark which is based on rates for high-quality corporate bonds; an assumption for higher health care escalation rates for plans outside of the United States; and a requirement for all eligible retirees of the United Nations to be enrolled in the United States Medicare Plan B, which results in reduced costs to the Organization with respect to charges from medical practitioners;

(iii) Another factor in the after-service health insurance valuation is to consider contributions by all plan participants in determining the Organization's residual liability. Thus, contributions from retirees are deducted from the gross liability, and a portion of the contributions from active staff is also deducted to arrive at the Organization's residual liability in accordance with cost-sharing ratios authorized by the General Assembly. These ratios require that the Organization's share not exceed one half for non-United States health plans, two thirds for United States health plans, and three quarters for the medical insurance plan;

(iv) On the basis outlined in subparagraphs (ii) and (iii) above, the present value of the accrued liability as at 31 December 2011 was estimated at $21,909,417 for the Drug Programme Fund and $8,268,583 for the Crime Programme Fund, compared with an estimated liability of $10,392,000 for the Drug Programme Fund and $4,084,000 for the Crime Programme Fund as at 31 December 2009. This increase of $15,702,000 mainly reflects an actuarial loss of $9 million resulting from a change in the assumption for discount rates from 6.0 per cent as at 31 December 2009 to 4.5 per cent as at 31 December 2011;

(v) Further to the assumptions set out in subparagraph (ii) above, it is estimated that the present value of the liability would increase by 30 per cent and decrease by 23 per cent if the medical cost trend is increased or decreased by 1 per cent, respectively, all other assumptions held constant. Similarly, it is estimated that the accrued liability would increase by 29 per cent and decrease by 21 per cent if the discount rate is decreased or increased by 1 per cent respectively, all other assumptions held constant.

(c) Repatriation benefits:

(i) At the end of service, staff who meet certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to a repatriation grant which is based on length of

service, and travel and removal expenses. These benefits are collectively referred to as repatriation benefits;

(ii) A consulting actuary was engaged to carry out an actuarial valuation of repatriation benefits as at 31 December 2011. The major assumptions used by the actuary were a discount rate of 4.5 per cent and annual salary increases ranging from 9.1 per cent to 4.0 per cent, depending on the age and category of staff members;

(iii) On the basis of these assumptions, the present value of the accrued liability for repatriation benefits as at 31 December 2011 was estimated at $3,985,000 for the Drug Programme Fund and $2,277,000 for the Crime Programme Fund.

(d) Unused annual leave:

At the end of service, staff members holding fixed term or continuing appointments may commute unused annual leave, up to a maximum of 60 working days.

(e) End-of-service allowance:

At the end of service, General Service staff members in UNICRI are entitled to a separation payment in accordance with FAO Circular 90/54. At the end of service, UNODC General Service staff members in Vienna are entitled to end-of-service allowances in accordance with United Nations information circular UN/INF.243. The separation payment and end-of-service allowance liabilities as at 31 December 2011 are estimated at $1,879,643 for the Drug Programme Fund and $697,984 for the Crime Programme Fund.

(f) A summary of the end-of-service and post-retirement liabilities and the funding of these liabilities is as follows:

(United States dollars)

	Drug Programme	*Crime Programme*	*UNICRI sub-account (Crime Programme)*	*Total*
After-service health insurance liabilities	21 909 417	6 857 583	1 411 000	30 178 000
Accrued annual leave liabilities	2 115 071	931 929	168 000	3 215 000
Repatriation benefits	3 985 000	2 196 000	81 000	6 262 000
General Service staff end-of-service allowances	1 879 643	540 957	157 027	2 577 628
Total after-service health insurance and end-of-service liabilities	**29 889 132**	**10 526 469**	**1 817 027**	**42 232 628**
Funded from repatriation accrual	5 196 120	1 945 198	225 979	7 367 297
Funded from prior years' reserves and fund balances	12 732 001	5 323 256	992 395	19 047 653
Funds from/refunded to biennium 2010-2011 reserves and fund balances	11 961 010	3 258 014	598 653	15 817 678

Note 8
Reserves and fund balances

(a) Income pertaining to future financial periods has been deferred only when the pledge documents categorically specify the future fiscal period of the contribution. As a result, unpaid pledges not so deferred, as well as actual operating surpluses, cause an accumulation of fund balances.

(b) Net changes in the reserves and fund balances of the Drug Programme Fund during the biennium 2010-2011 and future commitments against them are summarized below:

(United States dollars)

Changes in reserves and fund balances	*General purpose*	*Special purpose*	*Programme support*	*Total*
Reserves and fund balances as at 1 January 2010	14 639 780	153 187 490	11 397 010	179 224 280
Prior-period adjustments	(16 073)	(6 000 511)		(6 016 584)
Reinstated reserves and fund balances as at 1 January 2010	14 623 707	147 186 979	11 397 010	173 207 696
Net changes during the biennium 2010-2011 (statement III)	(3 822 592)	(4 934 240)	(2 246 460)	(11 003 291)
Total reserves and fund balances as at 31 December 2011[a]	**10 801 115**	**142 252 739**	**9 150 550**	**162 204 404**

[a] Includes reserves for allocations and eliminations.

(c) Net changes in the reserves and fund balances of the Crime Programme Fund during the biennium 2010-2011 and future commitments against them are summarized below:

(United States dollars)

Changes in reserves and fund balances	*General purpose*	*Special purpose*	*Programme support*	*Total*
Reserves and fund balances as at 1 January 2010	2 264 239	113 757 456	4 085 886	120 107 581
Prior-period adjustments	(145 407)	(1 938 104)		(2 083 511)
Reinstated reserves and fund balances as at 1 January 2010	2 118 832	111 819 352	4 085 886	118 024 070
Net changes during the biennium 2010-2011 (statement V)	896 228	61 064 467	4 843 254	66 803 949
Total reserves and fund balances as at 31 December 2011[a]	**3 015 060**	**172 883 820**	**8 929 140**	**184 828 020**

[a] Includes reserves for allocations and eliminations.

Note 9
Negative cash balances

(a) Special-purpose contributions to project activities are treated as trust funds or project accounts. The application of these funds to specific project activities is reported separately to donors. The consolidated balance shown in the statements, therefore, consists of a series of trust funds or project accounts. In some cases, where expenditure exceeds collections and any accrued interest, the cash balances are negative.

(b) The details of the negative cash balances for the Drug Programme Fund are shown as follows:

(United States dollars)

Donor	*Project number*	*Cash fund balances*	*Outstanding pledges*
Australia	XSP/J18, GLO/U34 GLO/C09, GLO/G80, GLO/H92 GLO/171, GLO/J88, GLO/U40	(123 897)	857 719
Canada	GLO/U54, RAF/D21, TAJ/E24	(936 665)	4 896 756
Colombia	COL/J31, COL/J36	(8 147)	18 939
Denmark	IRN/V03	(39 828)	260 643
Germany	AFG/J43	(60 318)	238 243
Luxembourg	VIE/H68, MLI/U58	(95 355)	391 028
Netherlands	IRN/K13	(72 219)	75 840
Peru	PER/D06	(35 983)	45 905
Spain	PRY/K56	(131 959)	171 835
United Kingdom of Great Britain and Northern Ireland	GLO/900	(32 794)	107 716
United States of America	PER/D06, XCE/A01	(283 117)	1 494 660
European Union	BOL/F57, BOL/J52, BOL/I79, BOL/I80	(53 325)	76 274
UNDP	PAL/I06, PER/K06	(18 151)	56 681
Total		**(1 891 758)**	**8 692 239**

(c) The details of the negative cash balances for the Crime Programme Fund are shown below:

(United States dollars)

Donor	*Project number*	*Cash fund balances*	*Outstanding pledges*
Canada	GLOT08, GLOT58, GLOU40	(494 874)	549 931
European Commission	XAMT72, XEET53	(504 770)	530 899
Egypt	GLOT60	(7 050)	11 873
Finland	NGAS84	(231 699)	466 408
IOM-UNODC-UNHCR	SRBX15	(6 764)	225 745
Panama	PANU66	(33 252)	45 350
United Nations Democracy Fund	ECUT87	(83 237)	159 676
United States of America	BDIT29, GLOT29, GLOT59, LAOX26, VNMT28, XAPX37, YEMX24	(569 647)	2 647 990
Unfunded	GNBU47, XAFT54	(232 848)	–
Total		**(2 164 141)**	**4 637 872**

Note 10
Non-expendable property

In accordance with standard United Nations accounting policies, non-expendable property is not included in the fixed assets of the organization but is charged against the current appropriations when acquired. The following table shows the non-expendable property locations, movement and status as at 31 December 2011:

(United States dollars)

Location of non-expendable property	*As at 31 December 2009*	*Acquisitions 2010-2011*	*Write-off/ adjustments 2010-2011*	*Total as at 31 December 2011*
Headquarters				
Drug and Crime Programme	2 736 996	498 552	(326 606)	2 908 942
UNICRI	537 414	25 298	(1 555)	561 157
Subtotal	**3 274 410**	**523 850**	**(328 161)**	**3 470 099**
Country offices				
Drug and Crime Programme[a]	32 732 053	16 724 412	(26 839 229)	22 617 236
UNICRI	40 339	2 355	(42 694)	–
Subtotal	**32 772 392**	**16 726 767**	**(26 881 923)**	**22 617 236**
Total	**36 046 802**	**17 250 617**	**(27 210 084)**	**26 087 335**

[a] Includes adjustments approved by and submitted to the Property Survey Board and provisions for aged assets acquired before 2004.

Note 11
Voluntary contributions in kind

In addition to cash contributions, the Funds also received voluntary contributions in kind. The estimated value of voluntary contributions in kind received for the biennium 2010-2011 is $4,529,604. Most of these contributions were project-related and were provided in the field. In accordance with paragraph 35 of the United Nations system accounting standards, the fair valuation of the contributions was determined on donors' valuations, unless there were significant differences from other valuation indicators available to UNODC, such as market rates. Conversion to United States dollars was made at the United Nations operational rate of exchange at the time the contribution was received, unless there was a material difference between the local amount provided and the actual market value.

The detail of the in-kind contribution is as follows:

(United States dollars)

Receiving fund	*2008-2009*	*2010-2011*
Crime Programme	613 953	150 409
UNICRI (Crime Programme)	1 888 456	1 806 011
Drug Programme	2 877 988	2 573 184
Total	**5 380 396**	**4 529 604**

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